2018 TAX-SUPPORTED OPERATING AND CAPITAL BUDGETS

Council Engagement Session

January 31, 2018



AGENDA

- 2017 Accomplishments
- Council's Strategic Goals for 2014-2018
- 2018 Opportunities
- 2018 Challenges
- 2018 Key Issues
- Reserve Fund Updates
- Next Steps



2017 ACCOMPLISHMENTS

- Port Stanley WWTP Constructed
- Port Stanley Fire Station Building Planning
- Port Stanley Harbour Secondary Plan
- Port Stanley Streetscaping initiatives
- Hofhuis Park
- Reduction of one Fire Fleet vehicle
- Addition of a Fire Prevention Officer



COUNCIL'S STRATEGIC PLAN

MUNICIPALITY OF CENTRAL ELGIN

2014-2018 STRATEGIC GOALS

SHORT TERM GOALS

- Maintain spending at a level that is equal to or less than the rise in tax income collected due to increased assessments
- Strengthen working partnerships between Central Elgin and surrounding areas
- Develop parkland and trails through the development of a ten year Trails Master Plan

LONG TERM GOALS

- Develop an overarching design concept for the development of the harbour lands to guide the
- Municipality through the transformation of the lands following their remediation
- Promote tourism and business development
- Develop HofhuisPark by 2017 as Central Elgin's primary Canada Sesquicentennial Project
- Evaluate and assess operations in respect to equipment and staffing
- Keep taxes sustainable and seek out opportunities and efficiencies
- Continue working to reduce Central Elgin's environmental footprint in terms of waste, energy use, and greenhouse gas emissions



"Council is committed to engaging residents and fulfilling our objectives. Our strategic plan contains specific goals that guide planning in the municipality. Council and staff are committed to improving the quality of life for citizens."

- MAYOR DAVID MARR

SHORT TERM GOAL – SPENDING EQUAL TO OR LESS THAN THE CHANGE IN ASSESSMENTS

Mun	icipality of	gin				
2014 - 2	017 TAX RATE COMP	PARISON				
	TAX CLASS CENTRAL ELGIN		COUNTY	EDUCATION	FIN AL TAX RATE	
2014	Residential	0.0079539	0.0058447	0.0020300	0.0158286	
2015	Residential	0.0079820	0.0059901	0.0019500	0.0159221	
	Increase/(Decrease)	0.0000281	0.0001454	(0.0000800)	0.0000935	
		0.35%	2.49%	-3.94%	0.59%	
2015	Residential	0.0079820	0.0059901	0.0019500	0.0159221	
2016	Residential	0.0078696	0.0059972	0.0018800	0.0157468	
	Increase/(Decrease) (0.0001124)		0.0000071	(0.0000700)	(0.0001753)	
	-1.41%		0.12%	-3.59%	-1.10%	
2016	Residential	0.0078696	0.0059972	0.0018800	0.0157468	
2017	Residential	0.0078609	0.0061185	0.0017900	0.0157694	
	Increase/(Decrease)	(0.0000087)	0.0001213	(0.0000900)	0.0000226	
		-0.11%	2.02%	- 4.79 %	0.14%	



LONG TERM GOAL – DEVELOP AN OVERARCHING DESIGN CONCEPT OF THE HARBOUR LANDS

- Dillon Consulting was contracted in early 2017 to begin work on the Harbour Secondary Plan
- Community engagement and steering committee work has been actively ongoing throughout 2017
- Council will see a design concept and planning documents in 2018





LONG TERM GOALS – HARBOUR LANDS AND TOURISM

• Transform harbour lands through remediation



Promote tourism and business development



LONG TERM GOAL - DEVELOP HOFHUIS PARK FOR 2017









2018 OPPORTUNITY

 2018 MPAC roll saw the addition of approximately 100 new roll numbers.

This equated to almost \$550,000 in assessment growth or an increase of 4.41% between phase-in changes and new assessments.



2018 OPPORTUNITY

 Increases to the Farm Area measure of the Rural Communities Grant portion of the OMPF formula provided just over an additional \$250,000 in funding towards 2018. This represents just over 2% toward the levy.

Staff participated in discussions on this issue during the Municipal Reference Group sessions of the OMPF Committee.



2018 OPPORTUNITY

 With the commissioning of the new Port Stanley Wastewater Treatment Plant as well as other service level enhancements, Central Elgin is well-positioned for anticipated growth for the next 20 years.





2018 CHALLENGE

• Bill 148 – Employment Standards Act

As Council is aware, changes with regard to minimum wage, equal pay for equal work and on-call status pay will have significant impacts to Central Elgin's operational areas.





2018 CHALLENGE

 Large increases in debt repayments for 2018 related to Councilapproved capital works

These impacts will cause delays in the receiving of the Water and Wastewater budgets for 2018 until the DC study, Water and Wastewater rate studies can be reviewed and adopted by Council.



2018 CHALLENGE

 Transport Canada audit of the Harbour financials for 2015 and 2016

David Cleary of Samson and Associates will be in Central Elgin offices the week of February 5th so staff are recommending a delay in the presentation of the Harbour budget pending the outcome and suggestions for changes to accounting for the Harbour from that audit.



COUNCIL'S KEY DECISION POINTS

- Port Stanley Fire Station Location and Timing
- Vehicle Replacement Strategy
- Maple Street Walkway
- West Edith Cavell/Erie Rest Beach Parking
- Traffic Calming on Belmont Road
- Dog Park (in southern Central Elgin)
- Debt Limit Pressures





PORT STANLEY FIRE STATION

NEW PORT STANLEY FIRE STATION Options for Council's Consideration

Option	Option 1	Option 2A	Option 2B	Option 3A	Option 3B	Option 4
Description						
Description	"Save Now and Build Later"	Previously Acquired Site (Green Roof) / 3-Bay Station	Previously Acquired Site (Green Roof) / 2-Bay Station	Sunset and East Road Corner Site / 3-Bay Station	Sunset and East Road Corner Site / 2-Bay Station	
Architecture	Consider deferring the final design decisions to a future date and discuss discontinuing the work of the architect at this time.	Complete the plans for the new station with footprint specifications that meet the requirements of the site.	Complete the plans for the new station with a reduction from 3 bays to 2 at this time on a footprint that meets the requirement of the site.	Complete the plans for the new station with footprint specifications that meet the requirements of the revised site.	Complete the plans for the new station with a reduction from 3 hays to 2 at this time on a footprint that meets the requirement of the revised send.	
Funding	Funds should be set aside annually for the next 7 years to adequately fund the station build in future in conjunction with a build of Development Charges from the revised background study forthcoming.	flow purposes. Development charges from the revised	Debt finance the construction costs currently for cash flow purposes. Development charges from the revised background study can be used to offset up to 62% of the proposed costs.	Debt finance the construction costs currently for cash flow purposes. Development charges from the revised background study can be used to offset up to 62% of the proposed cost	Debt finance the construction costs currently for cash flow purposes. Development charges from the revised background study can be used to offset up to 62% of the proposed costs	
Construction Timing	Construct in 2025	Construct station in 2018	Construct station in 2018 for current 20 year needs. Add an additional bay to house 2 additional trucks after 2037.	Construct station in 2018	Construct station in 2018 for current 20 year needs. Add an additional bay to house 2 additional trucks after 2037.	
Projected Capital Cost	\$4.1 million (based on construction price indexing for 7 years @ 1.5% compounded)	\$3.4 million**	\$3.1 million*	\$3.5 million	\$3.2 million*	
Additional Costs	5200,000 To continue to use the existing Port Stanley Station will require mould abatement, wall repairs and a new roof in the short term.			\$20,000 Additional land acquisition costs for pieces of property from abutting landowners to accommodate site relocation.	\$20,000 Additional land acquisition costs for pieces of property from abutting landowners to accommodate site relocation.	Council Discussion
Surplus Land		Any surplus land from the existing site may be sold as well as the old station to offset costs of construction.	Any surplus land from the existing site may be sold as well as the old station to offset costs of construction.	A larger amount of the original land acquired can be sold off as surplus as well as the old station to offset costs of construction.	A larger amount of the original land acquired can be sold off as surplus as well as the old station to offset costs of construction.	
Other Considerations:						
Pros	One-time costs in the current year budget to update the station and additional time to save for the future station to ensure the full build out required.		Use of previously planned land acquisition as intended. Small reduction in the amount of financing required for the removal of one bay in the short-term.		Small reduction in the amount of financing required for the removal of one bay in the short-term. Previously acquired land can be sold of fits surplus.	
Cons	Substandard existing conditions at the current Port	Immediate impact to the tax rate for debt costs incurred to finance construction.	Immediate impact to the tax rate for debt costs incurred	Immediate impact to the tax rate for debt costs incurred	Immediate impact to the tax rate for debt costs incurred to finance construction. Additional land acquisition arrangements would need to be worked out. Cong term larger cost to add an additional bay later.	

^{*} Estimated savings on the reduction of one bay is \$300,000 to \$350,000 as provided by Paul McIntosh, Architect

^{**} Note savings of \$100,000 estimated for removal of drive-thru bay options



FIRE VEHICLE REPLACEMENT PLANNING

The following table will show the current replacement schedule due to vehicle age.

Year/ Apparatus	Age	Life expectancy	Current value	Replace Cost	Status	SRV Life	TechLife	Econ Life	Replace Date
#11 - 2011 Pumper	7	20	340,000	660,00	Primary	OK	OK	OK	2031
#12 – 1999 Pumper	19			Discontinued					
#14 - 2017 Rescue	0	25	188,000	450,000	Primary	OK	OK	OK	2042
#21 - 2004 Pumper	14	20	200,000	600,000	Primary	OK	OK	OK	2024
#22 - 1996 Pumper/Tanker	22	20	10,000	450,000	Primary	Exceeds	Exceeds	Exceeds	2019
#31 - 1997 Pumper	<mark>21</mark>	<mark>20</mark>	12,000	585,000	Primary	Exceeds	Exceeds	Exceeds	<mark>2018</mark>
#32 – 2006 Pumper/Tanker	12	20	200,000	600,000	Primary	ок	ОК	ок	2026
#33- 2016 Rescue	1	25	465,000	625,000	Primary	OK	OK	OK	2041
#41- 2014 Pumper	4	20	350,000	670,000	Primary	OK	OK	OK	2034
#42 – 2009 Pumper/Tanker	9	20	250,500	550,000	Primary	ок	ОК	ок	2029
#43 - 2001 Rescue	17	25	90,000	450,000	Primary	OK	OK	OK	2024
#MR-1 2001 Zodiak Marine Rescue	17	25	60,000	280,000	Primary	ок	ок	ок	2026
#MR2 - 2017 Sea-Doo	1	10	10,000	15,000	Primary	OK	OK	OK	2027
Ford 150 2013/P.U.	5	7	15,000	55,000	Primary	OK	OK	OK	2020
Dodge Charger - 2018	0	5	45,000	55,000	Primary	OK	OK	OK	2023

PHYSICAL SERVICES VEHICLE REPLACEMENT PLANNING



Municipality of Control Flain											
Municipality of Central Elgin											
Heavy Equipment Replacement Schedule											
ricary Equipment reprocement series of	as he all										
ITEM	EQUIP	IN	MODEL	PURCHASE	2035	2017	201R	2619	2020	2021	3033
	#	CERVICE	YEAR	COST							
	-	SERVICE	TEAR	COST							
Pick-ups											
GMCTerrain	R0114 P5416	2014	3034	39000						×	
FordE-2go Pickup 4x4, Chevrolet Pickup 4x4,	PSG16 Wy614	2016	2025	\$2000 20000							
Dodge Pickup (Club Cab gu)	Rogaz	2011	2012	15000				30		-	
Dodge Pickup (Club Cab çuu)		2013		35000				30			
Dodge Pickup (Crew Cab Quad Cab One Ton (4/15)	P49P3	2003	2003	40000					45		***
Chevrolet Pickup.ux.u ForeF-3go Pickup.ux.u	Rofas	2014 2016	2014	30000 41000						26	***
Dadge Pickup/Crew Cab Quad Cab One Ton (4/4)	No.	2012	2013	43000	**						
Dadge Pickupi(Crew Cab Quad Cab Cree Ton (μ/kμ) Crevrolet Pickup μομ	Woya4	2014	2014	4,000		-				*	
FordFago Pickup 444	Polisé	2016	2025	41000	41					-	***
Dadge Pickupu,K4, FordF350 u/K4	Wogay	2017 2014	2017	15000		25					
FortiFgo.uK4 Dodge Pickup.uK4	Rang Palay	2017	2017	15000		8			_	_	45
Dodge CrewCab with utility box	Rassa	3550	2011	40000			45				
FareFigo Dodge Pickup4X4	Raqay	2013	2013	60000 30000	-					60	
Dodge Pickup (Club Cab 444)	Ransy Page 6	2006	2006	31000	30	-	32			-	
FordPick-up (Fugo-ux SuperDuty) (Water)	W3413	3813	2012	130000						ga ga	
Dodge Pickupi(Dub Cub aX ₄) FordFago Crew Cub	Rygas Pagell	2011 2008	2012	31000				30	-		
Chevrolet Pickup.qxq	P4408 Rozz4	2014	2014	3000		-				8	
FordFaga.pu,	W3814	2014	2014	30000						30	
FordFago (y.4, FordFago (y.4,	Wq613 Wq813	2013	2013	26000 26000					30		**
Dodge Pickupu, K4	Pagez	3016	2017	3000					30		***
Dodge Pickup L/K4	Pgaay	2016	2017	30000							
Dumps and Trucks	Rgay	3016	2017	3000	30						***
International Storing Single Asia Side tip body		2015		10000							
Freightliner Single-Aule, "U" body Box	Parts	3813	3013	236000							250
International Tandem Axle Dumg, "U body box	Rose	2017	2018	309000		305					
Sterling Tandem Axle Dump, "U" body Box International Tandem Axle Duma. "U body box	Rujus Ruliso	2004		130000							
Volvo Tandem Axie Dump, "U" Body Box	Ragog	2009 2014	2009	350000				340			-
International Single Aule Dump, "U" body box	R3314	3014	2014	198000							
Additional Tandem for Growth International Tandem Asie Cuma, "U body box	Ryps	2020	2020	310000 313000		-			310	_	-
International Tandem Axle Dump, "U body box	Rucos	2005	2015	346000			_	_			***
Graders											
Champion Model: 14,0 Grader	R2093	1993	1993	200000							
Caterpillar Model 14cH Grader	Rases	2002	2002	290000							400
Tractor/Backhoes/Loaders											
Caseglo Backtoe	Ragay	2007	2007	9,500				140			
John Deere 410 Backhoe	Pront	vv4	1006	135000			160				***
John Deer Su, G. Anticulated Loader Ford Sto. Guy. Tractor	R3g96 R3693	2006 1993	2006	160000 70000			300				
Fordgiso.qu, Tractor John Deere Go Jo ETractor	Press.	3016	2026	70000 86goo		-				-	
John Deere a gao Tractor	R2386	1986	1986	35000							
John Deere says Tractor (Parks) Miscellaneous	P3193	2003	1992	25000			go				***
		2001									
Trackless Sidewalk Plow (snow blows, broom, sander)	Ralles			100000			150				***
Trackless Sidewalk Plow (unow blower, broom, sander)	Rayso	2010 1994	2020	19000							***
Bornag@W132D-3-3c; Vibratory Packer Ingersoll Rand Compressor	R2994 R2992	1003	1002	11000 1900							
Reach Cleaner	Pg8s6	2016	2025	60000	60						
Vermer Bruch Chipper Vermer Bruch Chipper	Ross4 Rossil	1994 2008	1994	\$5000 \$0000				ga ga			
Vermeer Brush Chipper Trail King 24 tonne Float	Rogali Rasse	3007	2007	9000 1800							
Tandem Trailer slift	R4315	2006	2015	3000							
Tanden Trailer süft Vermer Var Unit	Pyong	2015	2015	3000 110000							***
TOTAL YEARLY EQUIPMENT REPLACEMENT	Ryley	2007	2007	110000 5130500	gae gae	25.0	622.0	590.0	796.0	215.0	6950
Rental Income					700.0	710-5	791.9		743.0	754-1	7614
Maintenance Expenditures Tax Levy and/or To Reserves					Xee	355-3	760.6	366.0	374.5	377-0	3827
Equipm't Reserve Balance (Starting at \$70,000)					1271.0	1357.3	974.8	750.8	366.3	pl ₃	216.0
Current Replacement value of Fleet				Cuesse							
				,,.							

WEST EDITH CAVELL/ERIE REST BEACH PARKING





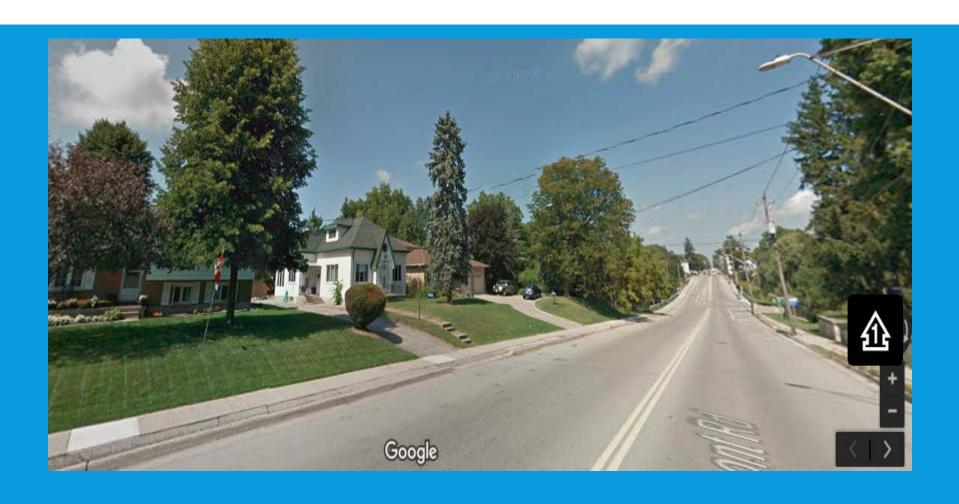
MAPLE STREET WALKWAY







TRAFFIC CALMING ON BELMONT ROAD

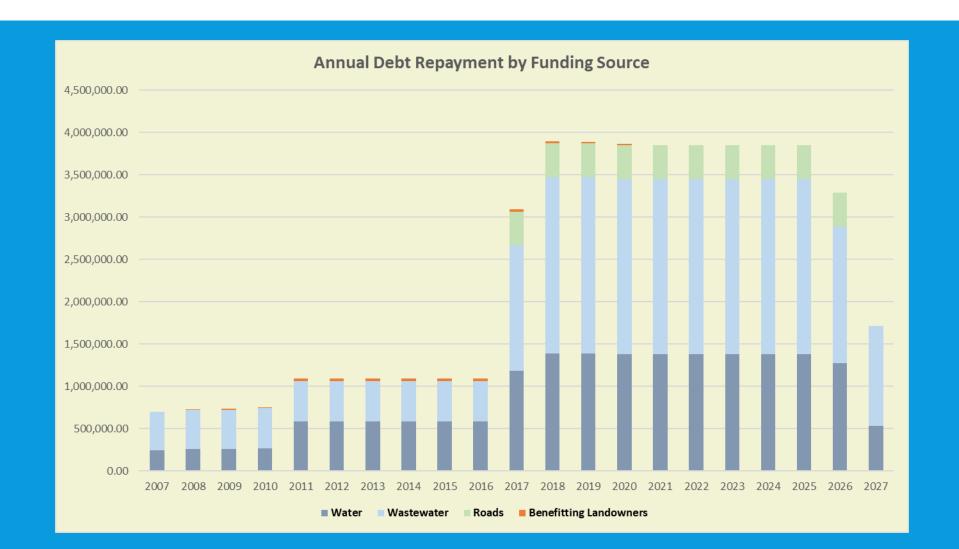


SOUTH CENTRAL ELGIN DOG PARK QUERIES

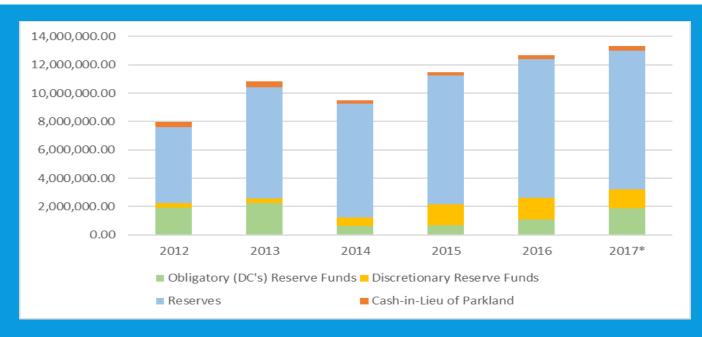




LONG-TERM FINANCING FORECAST



RESERVE AND RESERVE FUND BALANCES



	2012	2013	2014	2015	2016	2017*
Obligatory (DC's) Reserve Funds	1,906,518.03	2,252,201.11	633,796.07	687,954.08	1,088,614.19	1,862,543.86
Discretionary Reserve Funds	332,845.84	336,332.53	609,868.51	1,475,203.03	1,539,998.59	1,338,604.01
Reserves	5,364,227.78	7,820,894.90	8,016,533.00	9,085,167.73	9,764,124.34	9,805,910.32
Cash-in-Lieu of Parkland	360,779.17	408,245.00	239,204.02	238,085.31	270,049.84	316,969.84
Totals	697,855.38	723,058.52	731,285.98	753,595.38	1,088,164.92	1,088,164.92

NEXT STEPS

- Binders for the 2018 tax-supported operating and capital budget will be provided at the Special Meeting of Council on Monday, February 5th at the 6:00 p.m. Staff will do a "walk-through" of the binders at that meeting.
- A follow-up meeting has been tentatively scheduled for Monday, February 12th at 10:00 a.m. to review Council's suggestions for changes to the budget before its finalization.
- Between those meetings should Council have any questions or concerns, they can be forwarded via email to staff for their investigation and presentation at the meeting of the 12th.

