



MINUTES
Special Council Meeting
Monday, November 30, 2015
Council Chambers 6:00 PM

COUNCIL PRESENT: All members of Council were present this evening.

STAFF PRESENT: Lindsey Parkes, CAO/Clerk
Angela Young, Deputy Clerk
Angela Lochtie, Treasurer
Ryan Frew, Public Works Department & Property Manager
Geoff Patterson, Recreation Director

MEDIA PRESENT: Nil.

1 Call to Order and Roll Call

2 Disclosure of Pecuniary Interest and the General Nature Thereof

No disclosures of pecuniary interest were declared at this time.

3 Adoption of the Agenda

3.1 Agenda dated November 30, 2015

With the permission of Council, Mayor Peckett added item number 7.3 Budget Plan - Physician Recruitment Budget Plan to the agenda under Items of Business.

RESOLUTION - SM 1-2015

Moved by Councillor Lang, seconded by Councillor Brum

THAT the agenda dated November 30, 2015, be adopted as amended.

CARRIED.

4 Special Meeting Notice

4.1 Special Meeting Notice dated November 17, 2015

The Clerk read the Notice of the Special Meeting. The Clerk advised that the Notice of the Special Meeting was published in the Township Times, on the Township Website calendar, and on the front door and front counter of the Municipal office as well as on the door to the Council Chambers.

5 Delegations and Presentations

Nil.

6 Matters Arising out of Delegations Heard

Nil.

7 Items of Business

7.1 2016 Draft Budget
[2016 Draft Budget Presentation \(63 Slides\)](#)

Council reviewed the 2016 draft budget report as presented by Ms. Lochtie.

RESOLUTION - SM 2-2015

Moved by Deputy Mayor Armsden, seconded by Councillor MacKenzie

THAT Council accept this correspondence as information as submitted and circulated.

CARRIED.

Council directed the CAO/Clerk to bring the following items forward to the December 3, 2015 Special Meeting:

- Additional ice surface in White Lake and Braeside.
- Full time recreation programming position.

Mayor Peckett also requested that the Treasurer follow up with respect to the library grant.

Mr. Patterson vacated the Council Chambers at 7:40 p.m.

With the approval of Council, Mayor Peckett requested that Questions/Comments be moved up on the agenda prior to the discussion of item 7.2

10.1 Martin Wright inquired as to what percentage of the wages were allocated to benefits, Treasurer Angela Lochtie advised that it was approximately 30%.

10.2 Mr. Wright asked what the difference is between the budget from last year for the caretaker for the White Lake facility to next year, to which Ms. Lochtie advised she did not have that information with her this evening and would provide a response.

10.3 Mr. Wright suggested that the Township start charging for the use of the rinks.

10.4 Mr. Wright asked how many people are using the Arnprior library, to which Ms. Lochtie replied she has that number in her files and would advise him.

10.5 Mr. Wright asked what the new Braeside RA design was.

Mr. Wright vacated the Council Chambers at this time 8:15 p.m.

7.2 Logger's Memory Wall

RESOLUTION - SM 3-2015

Moved by Councillor Lang, seconded by Councillor Brum

THAT Council accept this correspondence as information as submitted and circulated.

CARRIED.

RESOLUTION - SM 4-2015

Moved by Councillor Brum, seconded by Councillor Lang

*THAT Council hereby authorize the application for funding under the Canada 150 Fund for the Loggers Memory Project; **AND FURTHER THAT** the Township will contribute funding of up to \$80,000.00 to support the project for installation by July 1, 2017; **AND FURTHER THAT** the Township will provide on-going care and maintenance of the installations upon completion of the project.*

CARRIED.

7.3 Physician Recruitment - Proposed 2015/2016 Budget Plan & Revised Proposal

RESOLUTION - SM 5-2015

Moved by Deputy Mayor Armsden, seconded by Councillor Lang

THAT Council accept this as information as submitted and circulated.

CARRIED.

8 Unfinished Business

Nil.

9 By-Laws

Nil.

10 Questions/Comments

See section 7.1 above.

11 Closed Meeting Session

Nil.

12 Confirmatory By-Law

12.1 By-Law #2015-104

RESOLUTION - SM 6-2015

Moved by Councillor Brum, seconded by Councillor Lang

***THAT** By-Law #2015-104, being a By-Law to confirm the proceedings of the November 30, 2015, Special Meeting of Council, I now deemed read a second and third time short and is hereby enacted and passed.*

CARRIED.

13 Adjournment

This meeting adjourned at 8:45 p.m.

MAYOR

CAO/CLERK



2016 Budget

*Based on Department Head Submissions
Meeting #2*

Presented by: Angela T. Lochtie, CPA, CMA/PFA

Date: November 30, 2015



Agenda

Item

Recreation

Parks and Facilities
Programs
Agreements
Museum

Public Works

Environmental Services
Transportation Services
Buildings

Next Steps



Recreation and Cultural Services

Recreation Department



2016 Operating Requirements – Recreation and Culture

Overall spending increase of \$39,300 over 2015 Budget

SPLIT BY TYPE OF SPENDING			
RECREATION AND CULTURE	2016 BUDGET	2015 BUDGET	+ Increase - Decrease
SALARIES, WAGES, BENEFITS	210,134	166,312	43,822
MATERIALS, SUPPLIES	165,131	166,806	- 1,675
CONTRACTED SERVICES	22,203	34,398	- 12,195
RENTS, FINANCIAL EXPENSES	3,203	200	3,003
EXTERNAL TRANSFERS/RESERVE TRANSFERS	304,345	302,064	2,281
AMORTIZATION OF CAPITAL ASSETS	63,625	56,432	7,193
TOTAL SPEND	768,641	726,212	42,429
LESS: REVENUES	- 72,069	- 68,940	- 3,129
NET OPERATING COSTS	696,572	657,272	39,300

SPLIT BY ACTIVITY			
RECREATION AND CULTURE	2016 BUDGET	2015 BUDGET	+ Increase - Decrease
PARKS	207,090	210,383	- 3,293
PROGRAMS	125,938	93,224	32,714
RECREATION AGREEMENTS	185,393	172,954	12,439
LIBRARIES	95,360	93,857	1,503
ARCHIVES	11,608	11,269	339
MUSEUM	71,183	75,585	- 4,402
NET OPERATING COSTS	696,572	657,272	39,300



Recreation Services

Parks & Facilities



Operating Requirements: Parks & Facilities

- Overall spending decrease for Parks and Facilities is -\$3,293 over 2015 Budget.

SPLIT BY TYPE OF SPENDING			
PARKS	2016 BUDGET	2015 BUDGET	+ Increase - Decrease
SALARIES, WAGES, BENEFITS	65,953	51,729	14,224
MATERIALS, SUPPLIES	100,457	88,710	11,747
CONTRACTED SERVICES	13,453	25,898	- 12,445
RENTS, FINANCIAL EXPENSES	3,203	200	3,003
EXTERNAL TRANSFERS/RESERVE TRANSFERS	-	12,000	- 12,000
AMORTIZATION OF CAPITAL ASSETS	57,209	50,827	6,382
TOTAL SPEND	240,275	229,364	10,911
LESS: REVENUES	- 33,185	- 18,981	- 14,204
NET OPERATING COSTS	207,090	210,383	- 3,293



Operating Requirements: Parks & Facilities

- Broken down by park, the change is as follows:

SPLIT BY ACTIVITY			
PARKS	2016 BUDGET	2015 BUDGET	+ Increase - Decrease
MCP	10,702	13,370	- 2,668
DOCHART SOCCER PARK	- 920	150	- 1,070
WHITE LAKE PARK	14,866	14,448	418
GLASGOW DOWNS	502	500	2
BURNSTOWN PARK	19,307	11,822	7,485
S. TONER PARK	5,168	4,668	500
WHITE LAKE DAM	1,050	1,050	-
MCNAB PS RINK	2,000	2,000	-
CLAY BANK PARK	2,701	2,700	1
RED PINE BAY	5,801	5,800	1
WELLINGTON PARK	1,301	1,300	1
BRAESIDE BEACH	2,500	2,500	-
CN TRAIL	2,003	2,000	3
PERNEEL	7,950	7,950	-
BRAESIDE RA	19,333	12,847	6,486
PARKS OVERHEAD	112,826	127,278	- 14,452
NET OPERATING COSTS	207,090	210,383	- 3,293



Overview of Operating Changes: Parks & Facilities

Overall spending decrease for Parks of \$3,293 over 2015 Budget.

Salaries and Wages \$14,224 (increase in cost)

- \$9,814 is related to White Lake Park Rink Maintenance. This item was budgeted as a contracted service in 2015, and under salaries in 2016 to reflect actual employment arrangement.
- \$1,550 is related to extra part-time student help budgeted in 2016 for park maintenance in September and October (15 hours per week).
- The balance is related to an increase in minimum wage.

Materials \$11,747 (increase in cost). Primarily due to the following:

- \$3,000 for a chimney repair required at the Braeside RA (safety issue).
- \$3,300 for new chairs at the Braeside RA.
- \$3,000 grading materials needed at the Burnstown Beach Rowing garage.
- \$5,000 materials for a proposed expansion at the Burnstown Beach (between the boat launch and the current beach).



Overview of Operating Changes: Parks & Facilities

Contracted Services -\$12,445 (decrease in cost)

- Decrease of -\$9,814 is related to White Lake Park Rink Maintenance as above.
- Decrease of -\$3,000 is related to sand removal at Red Pine Bay. This item was budgeted as a contracted service in 2015, and under equipment rental in 2016.

Rents +\$3,000 (increase in cost)

- Increase related to sand removal at Red Pine Bay as above.

Reserve Transfers -\$12,000 (decrease in cost)

- Decrease related to reserve contributions no longer required for rink boards at White Lake Park. Project to be completed in the spring of 2016.

Amortization +\$6,382 (increase in cost)

- Increase related to budgeted capital expenditures.



Overview of Operating Changes: Parks & Facilities

McNab Centre Park -\$2,668 (decrease in cost)

- Primarily due to a decrease in building maintenance of \$5,500. In 2015, some washroom upgrades were made at the end of the season (budget of \$8,500). In 2016, upgrades to storage rooms has been budgeted for \$3,000.
- This decrease is offset by a \$1,000 increase in surface maintenance at the park.

White Lake Park

- As discussed, should the federal government launch another grant application process in 2016 for the Enabling Accessibility Fund, an application will be made to upgrade to the washroom facilities and building entrance at White Lake Park.
- Since spending is conditional on grant approval, these expenses have not been added at this time. It is estimated that the cost of this upgrade would be approx. \$27,500. Rough estimates received in 2015 ranged from \$19.0K to \$42.5K. Township funding will come from the recreation building reserve.

Red Pine Bay Logger's Memory Project

- Considerations for this project will be presented under separate cover. As a work-in-progress, possible 2016 costs have not been included in this draft budget to date.



2016 Capital Requirements – Parks

Capital Budget Requirements: \$250,000 proposed budget as follows:

Capital Item	Budget	Funding	
		Reserves/Funding	Taxes
CN Trail Bridge Repairs (CF 2015)	\$20,000	\$20,000	\$0
WLP Rink Boards (CF 2015)	60,000	60,000	0
MCP “Canada 150 Field”	120,000	120,000	0
Used Tractor 80HP	50,000	37,710	12,290
Total	250,000	237,710	12,290



2016 Capital Requirements – Parks

CN Trail Bridge Repairs +\$20,000

- Repairs were made to the two CN trail bridges, however, work is still required on the railings. This will be carried forward to 2016.
- Preliminary design of the barriers has been completed. Installation of the railing will be contracted out due to access and H&S requirements



WLP Rink Boards +\$60,000

- A \$10,000 donation was received from Hydro One in 2015 for new rink boards at White Lake Park. Insufficient time was available to order and install the boards this fall. This project will be carried forward to the spring of 2016.





2016 Capital Requirements – Parks

MCP “Canada 150 Field” +\$120,000

- \$39,960 of grant funding has been approved for a 4th field at McNab Centre Park.
- Work would be completed in 2016 in time for the 2017 Canada Day Celebrations.
- This would coincide with the likely loss of the Glasgow Downs diamond at the end of the 2016 season.
- The field will need to be incorporated into the Township’s 2017 Canada Day celebrations.





2016 Capital Requirements – Parks

Used 80 HP Tractor +\$50,000

- The recreation department would like to acquire a used 80 HP tractor.
- This tractor would be used as follows:
 - Winter ice rink maintenance
 - Summer beach grooming
 - Trail maintenance
- This acquisition would be partially funded from surplus monies anticipated in 2015 (Renfrew Recreation/Library, surplus parking revenues)





Recreation Services

Programs



Operating Requirements: Programs

Overall spending increase for Programs and Events \$32,714.

SPLIT BY ACTIVITY			
PROGRAMS	2016 BUDGET	2015 BUDGET	+ Increase - Decrease
MINOR BALL	2,200	1,700	500
ARCHERY	650	250	400
PADDLING	1,100	3,600	- 2,500
M/B MARKET	- 300	850	- 1,150
EVENTS	6,375	950	5,425
PROGRAMS OVERHEAD	115,913	85,874	30,039
NET OPERATING COSTS	125,938	93,224	32,714

SPLIT BY TYPE OF SPENDING			
PROGRAMS/OVERHEAD	2016 BUDGET	2015 BUDGET	+ Increase - Decrease
SALARIES, WAGES, BENEFITS	92,686	65,222	27,464
MATERIALS, SUPPLIES	49,402	51,217	- 1,815
CONTRACTED SERVICES	4,750	4,500	250
EXTERNAL TRANSFERS/RESERVE TRANSFERS	500	500	-
TOTAL SPEND	147,338	121,439	25,899
LESS: REVENUES	- 21,400	- 28,215	6,815
NET OPERATING COSTS	125,938	93,224	32,714



Overview of Operating Changes: Programs

Salaries and Wages \$27,464 (increase in cost)

- \$22,101 is related to the proposed addition of a permanent part-time programming staff member effective February 2016 at 20 hours per week. This new staff would develop new programs and provide administrative support to the Recreation Director. The balance is related to COLA, benefit changes, etc.

Future consideration: Currently, user fees for programs are set to recover instructor fees only. This is in part due to the poor condition of recreation facilities where these programs are held. Once new facilities are built, the Township should consider at least partially recovering program administrative costs and overhead from its fees & charges.

Revenues \$6,815 (decrease in revenues). Primarily due to the \$4,000 request from the McNab Days committee to provide additional funding for the festival.



Recreation Services

Agreements



Operating Requirements: Agreements (cont.)

- Overall spending increase for Agreements/Reimbursement of \$14,281 over 2015 as per the new agreements in place.
- A 3% increase has been assumed for the archives, similar to last year.
- Renfrew library budget has been adjusted to reflect a reimbursement only.

SPLIT BY ACTIVITY	2016 BUDGET	2015 BUDGET	+ Increase - Decrease
AGREEMENTS			
RECREATION ARNPRIOR	177,393	163,454	13,939
RECREATION RENFREW	8,000	9,500	- 1,500
LIBRARY ARNPRIOR	94,360	79,647	14,713
LIBRARY RENFREW/REIMBURSEMENT	1,000	14,210	- 13,210
ARCHIVES	11,608	11,269	339
NET OPERATING COSTS	292,361	278,080	14,281



Cultural Services

Waba Cottage Museum and Gardens





Operating Requirements: Museum

Overall spending decrease for the Museum of \$4,402

Wages +\$2,134 (increase in cost). Primarily due to the COLA adjustment and the increase in minimum wage effective October 2015.

Materials -\$6,607 (decrease in cost). Additional funding was budgeted in 2015 to update the memorial plaques (\$7,000) and install fencing (\$3,000). In 2016, \$3,000 has been budgeted for boulders along the driveway to discourage cars from driving on the front lawn.

Revenue +\$740 (increase in revenues). Revenues have increased due to the bi-annual plant sale.

SPLIT BY TYPE OF SPENDING			
MUSEUM	2016 BUDGET	2015 BUDGET	+ Increase - Decrease
SALARIES, WAGES, BENEFITS	51,495	49,361	2,134
MATERIALS, SUPPLIES	15,272	21,879	- 6,607
CONTRACTED SERVICES	4,000	4,000	-
RENTS, FINANCIAL EXPENSES	-	-	-
EXTERNAL TRANSFERS/RESERVE TRANSFERS	-	-	-
AMORTIZATION OF CAPITAL ASSETS	6,416	5,605	811
TOTAL SPEND	77,183	80,845	- 3,662
LESS: REVENUES	- 6,000	- 5,260	- 740
NET OPERATING COSTS	71,183	75,585	- 4,402



Public Works

Environmental Services

Waste Management: Managed by the Director of Public Works, Waste Management includes curbside pickup of garbage and recycling and the operation of the Township's landfill site, located at 573 Calabogie Road.

Rural Storm Sewer: Managed by the Roads Department, the Township also operates a "rural storm sewer system" via open road-side ditches which require regular maintenance.



Operating Requirements – E/S

Overall spending increase for Environment Services of \$13,561

SPLIT BY ACTIVITY			
ENVIRONMENTAL SERVICES	2016 BUDGET	2015 BUDGET	+ Increase - Decrease
SOLID WASTE COLLECTION	246,850	245,259	1,591
WASTE DIVERSION	156,880	159,100	- 2,220
SOLID WASTE DISPOSAL	353,535	341,538	11,997
RURAL STORM SEWER	44,864	42,810	2,054
TOTAL SPEND	802,129	788,707	13,422
LESS: REVENUES	- 196,645	- 196,784	139
NET OPERATING COSTS	605,484	591,923	13,561

SPLIT BY TYPE OF SPENDING			
ENVIRONMENTAL SERVICES	2016 BUDGET	2015 BUDGET	+ Increase - Decrease
SALARIES, WAGES, BENEFITS	118,458	114,753	3,705
MATERIALS, SUPPLIES	104,026	104,692	- 666
CONTRACTED SERVICES	465,900	466,487	- 587
RENTS, FINANCIAL EXPENSES	9,983	8,700	1,283
EXTERNAL TRANSFERS/RESERVE TRANSFERS	66,101	63,519	2,582
AMORTIZATION OF CAPITAL ASSETS	37,661	30,556	7,105
TOTAL SPEND	802,129	788,707	13,422
LESS: REVENUES	- 196,645	- 196,784	139
NET OPERATING COSTS	605,484	591,923	13,561

Note: The Landfill Site has budgeted to spend \$20,000 of the Solid Waste Reserve (LF Stage 3) to cover consulting and site access costs to support the opening of Stage 3 of the landfill site in 2018



Overview of Operating Changes: E/S

WASTE MANAGEMENT: Spending increase of \$11,057 over 2015 Budget.

RURAL STORM SEWER: Spending increase of \$2,054 over 2015 Budget.

Salary & Benefits +\$3,705 (increase in cost)

- 1% COLA wage rate adjustment and benefit changes.

Equipment Rental +\$1,283 (increase in cost)

- Increased requirement for an excavator rental in 2016 to support rural storm sewer ditching and culvert maintenance activities.

Transfer to Reserve +\$2,582 (increase in cost)

- Primarily related to the increased loan repayment required for the LF loader as a result of a higher than planned acquisition cost in 2015.

Amortization +\$7,105 (increase in cost)

- Increase linked to the acquisition of new loader.



2016 Capital Projects – E/S

Capital Budget Requirements for the landfill: \$20,000 carried forward from 2015 as follows:

Capital Item	Budget	Funding	
		Reserves	Taxes
<u>Landfill Site (CF from 2015)</u>			
Waste Diversion Area	\$10,000	\$10,000	\$0
Security Fence	10,000	10,000	0
Total	20,000	20,000	0

- Improvements to the waste diversion area will make it easier to access the bins and address safety issues through the installation of railings. Difficulties were encountered in 2015 regarding the cost of bins and the associated pickup. These issues have now been resolved.
- Fencing will secure hazardous waste materials located at the landfill site (refrigerants and oils).



Garbage Levy

- **The requirements of the Waste Management Department are funded through the Garbage Levy, not regular taxes.**
- In 2015, the Garbage Levy rates were unchanged at: Residential \$180, Commercial \$330, and Cottage \$135 per property
- An analysis of the 2016 Budget as compared to anticipated revenues suggests that Waste will have a shortfall in revenue of only \$680.
- It is therefore recommended that current garbage levy rates continue at the same rate in 2016.

2016 Waste Budget - Expenses	
Garbage Collection	\$ 246,850
Recycling Collection	156,880
Landfill Site (Operating and Capital)	388,535
Total Expenses	792,265
Less: Capital Funded by Grants or Reserves	- 35,000
Total Operating Expenses	757,265
2016 Waste Budget - Garbage Levy	
Residential	555,435
Commercial	12,480
Total Levy Revenue	567,915
Plus: User Fees and Other Revenues	168,670
Plus: Reserve Funding to cover budgeted Stage 3 expenses	20,000
Total Operating Revenues	188,670
Shortfall in Revenue	680



Other Considerations

Opening of Stage 3

- Preliminary information has been received regarding the future opening of stage 3 of the landfill site.
- Excavation and replacement of soil will be required for stage 3. This process will likely be expensive, but the stage 3 site can be divided into different sections and opened one section at a time.
- The sufficiency of funding for this will need to be examined in 2016. Additional annual reserve contributions may be required starting in 2017 to ensure adequate funding is available to support the use of stage 3.

Contracts

- Both recycling and garbage contracts expire in May 2017.



Public Works

Transportation Services

Overseen by the Director of Public Works, the Roads Dept. employs 6 full-time staff and 1 seasonal plow operator for winter maintenance

The Roads Department is responsible for the maintenance and repair of approx. 198 km of Township roads (136 km paved, 51 km gravel, 11 km earth). In 2014, the Roads Department responded to 50 winter events (51 in 2013)



2016 Operating Requirements - Roads

SPLIT BY ACTIVITY	2016 BUDGET	2015 BUDGET	+ Increase - Decrease
TRANSPORTATION SERVICES			
<u>PAVED ROADS</u>	464,266	420,610	43,656
HARD TOP PATCHING	47,106	48,051	- 945
SHOULDER MAINTENANCE	3,023	2,922	101
SWEEPING/FLUSHING & CLEANING	17,681	15,180	2,501
<u>UNPAVED ROADS</u>	2,156	2,156	-
LOOSE TOP PATCHING	32,752	32,290	462
GRADING & SCARIFYING	12,089	10,687	1,402
DUST LAYER	30,931	27,680	3,251
GRAVEL RESURFACING	88,019	87,366	653
<u>TRAFFIC OPERATIONS/ROADSIDE MTCE</u>	-	-	-
GRASS MOWING	10,703	11,151	- 448
BRUSHING/TREE TRIMMING	36,805	33,322	3,483
DEBRIS & LITTER PICKUP	1,387	1,336	51
SAFETY DEVICES	27,931	27,680	251
SIDEWALKS	2,873	2,772	101
STREETLIGHTS	40,030	68,000	- 27,970
<u>WINTER CONTROL</u>	-	-	-
SNOW PLOWING & REMOVAL	53,795	46,662	7,133
SANDING/SALTING	128,721	112,511	16,210
SNOW FENCE/CULVERT THAWING	5,545	5,344	201
VEHICLES AND EQUIPMENT	272,213	266,015	6,198
OTHER PW PROJECTS	5,000	-	5,000
GARAGE OVERHEAD	392,770	330,640	62,130
NET OPERATING COSTS	1,675,796	1,552,375	123,421

Overall spending increase for Roads of \$123,421

Of this amount: \$43,656 is for the 10-year roads plan

\$38,127 relates to the possible Braeside Sand/Salt Shed



2015 Operating Requirements - Roads

Overall spending increase for the Roads of \$123,421

Salaries and Wages \$32,444 (increase in cost)

- \$7,000 is related to an increase in casual winter maintenance work to offset sick and vacation staff shortages and ensure consistent service delivery.
- \$7,875 is related to the introduction of merit pay in 2016.
- \$6,450 is due to the introduction of OMERS in 2015.
- Balance is related to other benefit price increases like health and dental.

SPLIT BY TYPE OF SPENDING

	2016 BUDGET	2015 BUDGET	+ Increase - Decrease
TRANSPORTATION SERVICES			
SALARIES, WAGES, BENEFITS	522,831	490,387	32,444
MATERIALS, SUPPLIES	491,155	495,819	- 4,664
CONTRACTED SERVICES	89,500	32,000	57,500
RENTS, FINANCIAL EXPENSES	30,608	12,220	18,388
EXTERNAL TRANSFERS/RESERVE TRANSFERS	-	-	-
AMORTIZATION OF CAPITAL ASSETS	631,702	546,949	84,753
TOTAL SPEND	1,765,796	1,577,375	188,421
LESS: REVENUES	- 90,000	- 25,000	- 65,000
NET OPERATING COSTS	1,675,796	1,552,375	123,421



Overview of Operating Changes: Roads

Contracted Services \$57,500 (increase in cost)

- \$5,000 related to a Building Condition Assessment required for Museum Buildings in order to support the 10-year capital plan
- \$50,000 is related to a feasibility study for FIT solar projects in the Township. This project would be fully funded by the Township's development reserve.

For more information on the 10-year roads plan, see the Annex at the end of this presentation

Amortization +\$84,753 (increase in cost)

- Split between: Roads \$43,656, Buildings \$20,147, Vehicles/Equipment \$14,269, and Streetlights \$6,681. New expenditure starting in 2009.
- Given the age of Township infrastructure and as part of the 10-year plan, amortization expense for Roads will increase annually as funding begins to be set aside to replace aging infrastructure not previously amortized. 2016 increase of \$43K for paved roads is to be offset annually by any assessment growth currently estimated at \$27-28K. This amortization links to the 10-year roads plan. Contributions must be made as planned to be able to execute the long-term plan.
- Streetlight amortization is offset by the decrease in energy costs



2015 Capital Projects – Paved Roads

Capital Budget Requirements for paved roads projects : \$2,165,000 proposed budget as follows:

Capital Item	Budget	Funding	
		Reserves/Funding	Taxes
<u>2016 Construction Projects per 10-year plan</u>			
Young Road	\$350,000	\$280,000	\$70,000
Goshen Road	1,275,000	1,109,200	165,800
Duncan Drive	300,000	265,800	34,200
Division Street	40,000	40,000	
<u>2016 Unplanned Repair</u>			
McLeod Road (150M)	45,000	36,000	9,000
<u>2017 Planning per 10-year plan</u>			
Scheel Drive	130,000	104,000	26,000
Other 2017 resurfacing projects	25,000	20,000	5,000
Total	2,165,000	1,855,000	310,000



Paved Roads: 10-year plan and funding

As per the current 10-year plan:

- Taxation funding is consistent with 2015 budgeted spend adjusted for 2% inflation as per the 10-year plan.
- The Paved Roads reserve will drop significantly, from an estimated \$2.3M at the end of 2015 to \$1.4M at the end of 2016.
 - A target reserve balance of \$1.0M is recommended to be retained for emergency purposes.
 - Under new disaster relief funding rules, the municipality is required to fund 3% of costs incurred as a result of any emergency declared.

***The Braeside Drainage study has recently been completed.
A revised 10-year roads plan will be drafted in 2016.***



2016 Capital Projects – PW Vehicles

Capital Budget Requirements for Public Works vehicles and equipment: \$220,000 proposed budget as follows:

Capital Item	Budget	Funding	
		Reserves	Taxes
<u>Vehicles and Equipment per 10-year plan</u>			
#18 Medium Duty Multi-Purpose PW Truck	\$130,000	\$115,000	\$15,000
Water Tanker	90,000	72,000	18,000
Total	220,000	187,000	33,000



Capital Considerations: Roads Vehicles

Capital Budget Requirements: \$220,000 for Vehicles per 10-year plan

#18 Medium Duty Truck Replacement: \$130,000

The 2001 medium duty truck is used for a variety of maintenance activities and is at the end of its useful life. This truck has been experiencing reliability issues. The source of the problem has not been identified. Given its age and condition, a replacement is required.



#12 Water Tanker Replacement: \$90,000

The 1989 water tanker is 28 years old and can no longer be safetied without extensive repairs. This truck is used in conjunction with grading operations, calcium dust control of gravel roads, spring street sweeping for winter sand and sidewalk cleaning. It is proposed to replace this tanker with a water truck equipped with nozzles for in-truck operation as opposed to external hose operation only, improving safety for employees.





Public Works

Streetlights



Streetlights

Overall spending increase of \$3,730 over 2015 Budget.

- Loan repayment/interest is an estimate pending the completion of the project.
- 2016 maintenance is higher than originally forecasted due to the planned review of one-off sentinel lights located on several Township properties. These lights were out of scope for the LED upgrade project.

SPLIT BY TYPE OF SPENDING	2016 BUDGET	2015 BUDGET	+ Increase - Decrease
STREETLIGHTS			
MAINTENANCE	5,000	10,000	- 5,000
HYDRO	25,207	58,000	- 32,793
INTEREST ON DEBT	3,143		3,143
AMORTIZATION OF CAPITAL ASSETS	6,680		6,680
TOTAL SPEND	40,030	68,000	- 27,970
LOAN PRINCIPLE REPAYMENT	31,700		31,700
NET OPERATING COSTS	71,730	68,000	3,730



Public Works

Property Management 2016 Capital Requirements



2016 Capital – Building Maintenance

Capital budget requirements for building maintenance capital projects: \$82,000 proposed budget as follows:

Capital Item	Budget	Funding	
		Reserves/ Funding	Taxes
Station 1: Asphalt Paving (CF 2015)	\$12,000	\$12,000	0
Station 2: Furnaces	10,000	0	10,000
Museum: Hill Building (Barn) Roof	15,000	12,000	3,000
Landfill: Waste Oil Building Replacement	15,000	12,000	3,000
Roads Garage: Windows & Doors Replacement	20,000	14,000*	6,000
Perneel: Shingle Roofing Replacement with Metal	10,000	8,000	2,000
Total	82,000	58,000	24,000

** Braeside Sand/Salt Shed & Garage project repayment to the roads building reserve through debt.*



Capital Bldg Mtce: Station 1 Asphalt Paving

Station 1 Asphalt Replacement: \$12,000

- The Station 1 asphalt paving has deteriorated and pitted which has made it difficult to get fire trucks in and out of the garage bays safely. Replacement was approved as part of the 2015 budget.
- The possibility of moving the location of the garage doors to accommodate a 3rd garage bay has put this job on hold. If the doors are re-oriented, this repair would no longer be required. A feasibility study on this possible renovation has been proposed as part of the draft 2016 budget.
- Patching has been applied as a stop-gap measure pending further consideration of garage space at Station 1.



Put 3 garage bay doors here instead?

This section would need to be paved...



Capital Bldg Mtce: Station 2 Furnace

Station 2 Furnaces: \$10,000

- There are currently two furnaces at Station 2: one oil burning ceiling suspended furnace for the garage area; one electric furnace for the office area.
- Both furnaces are original to the building (1988). The oil burning furnace required repairs in 2015. Replacement of both is recommended.
- It is proposed to replace the water heater at the same time. As per the Township's energy audit, a more energy efficient on-demand system is recommended at a an estimated cost of \$2,500 (non-capital)





Capital Bldg Mtce: Hill Building Roof

Hill Building Roof at Museum: \$15,000

- The roof of the Hill Building requires replacement.
- Similar to the church and school buildings, it is proposed to upgrade to cedar shingling in keeping with the style of buildings.





Capital Bldg Mtce: LF Waste Oil Shed

Landfill: Waste Oil Shed \$15,000

- The LF site currently has a small wooden shed where waste oil is stored. Next to the shed, a platform holds waste oil dropped off, as well as totes containing used oil filters and empty jugs.
- MOECC has recommended that a curb be built around the platform to contain any possible spill. If this curb was built, drainage of rain, ice and snow would be an issue as this platform is open to the elements.
- To address these issues, it is recommended that a larger structure be built to replace the existing waste oil shed and cover the platform.





Capital Bldg Mtce: Roads Garage Windows/Doors

Roads Garage windows and exterior doors: \$20,000

- Several garage windows are broken and exterior doors are rusted and damaged. Replacement was included as part of the 2015 budget, but was deferred to 2016 given the high cost of replacing the roof.
- These capital maintenance items will improve the energy efficiency of the building and were recommended as part of the Township's energy audit.
- The salt/sand shed preliminary design has depleted the PW building reserve. It is proposed to recover part of the design costs from the project loan to replenish the reserve and cover part of the cost of these windows and doors.





Capital Bldg Mtce: Perneel Building Roof

Perneel Building Roof: \$10,000

- The roof of the Perneel building is a mixture of both metal roofing and asphalt shingles.
- The asphalt shingle roof is now approx. 20 years old and is showing signs of wear and tear. Some shingles are missing, likely caused by wind storms.
- It is proposed to replace this asphalt shingle roof with a metal roof similar to the rest of the building.





Other Considerations: In-Ground Fuel Tank

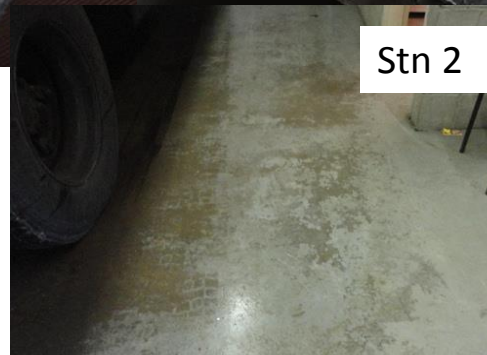
- In 2015, the underground fuel tank has been replaced with two above-ground tanks. The underground fuel tank was at end-of-life and required mandatory work to meet environmental standards.
- The final step in this project is to physically remove the underground fuel tank at an estimated cost of \$25K with \$13K of funding carried forward from the 2015 budget.
- This cost may escalate should any soil contamination be discovered. Testing to date has not indicated the existence of any leakages.
- The Township is currently in discussion with the County of Renfrew regarding a possible joint tender. The County is also planning to remove an underground tank at the Goshen garage in 2016.





Regular Fire Hall Building Maintenance

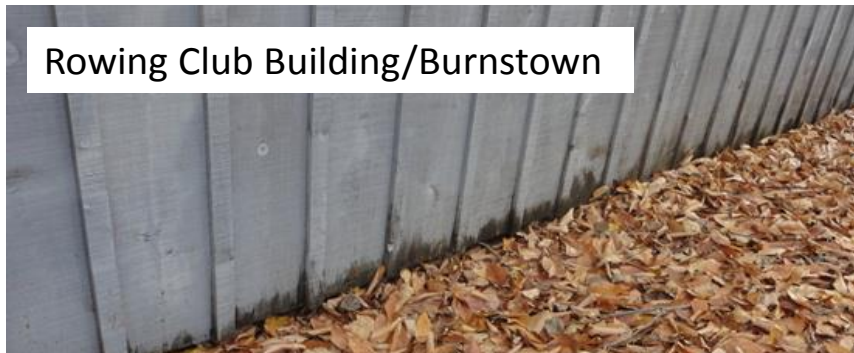
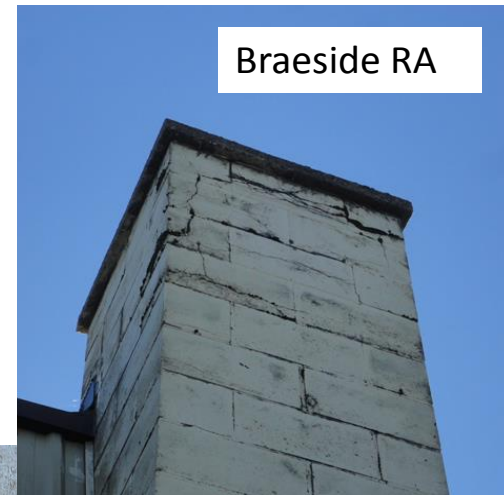
- As part of the Fire Budget, regular building maintenance has been proposed as follows:
 - Braeside Office: \$2,000 to replace broken exterior windows (single pane, wood frame), \$1,500 for painting/general cleanup.
 - At Station 2: \$2,000 for concrete floor painting
- Given other building priorities, it has been proposed to maintain the old Braeside Municipal Office at a minimal level until the next 5-year update of the 10-year building plan under development.





Regular Recreation Building Maintenance

- As part of the Recreation Budget, building maintenance has been proposed as follows:
 - \$3,000 to improve grading along north west wall of the Rowing Club building. Drainage issues /build-up has caused rotting of the wood siding along the bottom.
 - \$3,000 to repair the chimney at the Braeside RA Centre, a safety issue.
 - \$3,000 has been proposed to improve storage space at MCP.





2016 Capital – Building Renovation & Replacement

- In addition to the on-going maintenance of existing buildings, the following activities have been included to support the 10-year building plan.
- The Station 1 feasibility study was included as part of the November 10th Planning and Advisory Committee but has not yet been formally discussed by members of Council. The study would examine the possibility of re-orienting the garage bay doors at Fire Station #1 in order to obtain a 3rd bay.
- The budget for the Township Office and Braeside RA would be to develop new building designs for possible construction in 2017-18

Capital Item	Budget	Funding	
		Reserves/ Funding	Taxes
New Township Office Design	\$200,000	\$200,000	\$0
New Braeside RA Design	120,000	120,000	0
Station 1: Feasibility Study 3 rd Bay Expansion	10,000	10,000	0
Total	330,000	330,000	0



2016 Capital – Braeside Sand/Salt Shed and Garage

- The other capital project currently under consideration is the Braeside Sand/Shed and PW garage. A breakdown of the initial project costing is below and is based on Option #3 of Greenview’s preliminary design report.
- If this project moves forward, this project would be funded through debt.

Capital Item	Budget
Braeside Sand/Salt Shed	\$250,800
Braeside PW Garage	473,000
Site Fencing	30,250
Site Paving	73,689
One time design and site works	530,148
Total	1,357,887



2016 Operating – Braeside Sand/Salt Shed & Garage

- To support this potential project, the Roads Department operating costs have increased by \$38,127 as noted below. If this project was to move forward, approx. \$110.5K of costs in total would be added to the Township budget (over several years).
- In order to smooth the impact of this increase, the 2017 loan repayment could be partially repaid through the amortization of the building. This would be a temporary measure, otherwise, no future funding would be available to make capital repairs and eventually replace the building, as is the current situation. The duration of this smoothing would depend on timing and impact of other building replacements under consideration.

SPLIT BY TYPE OF SPENDING

BRAESIDE SAND/SALT SHED	2016 BUDGET	2017 BUDGET (FULLY LOADED)	2017 BUDGET (LOAN ONLY)
OPERATING COSTS (HEAT, HYDRO)	1,351	3,500	3,500
AMORTIZATION OF CAPITAL ASSETS	15,276	30,552	30,552
SALT/SAND INVENTORY	10,000	-	-
INTEREST ON DEBT	11,500	51,073	51,073
TOTAL SPEND	38,127	85,125	85,125
USE OF AMORTIZATION TO PAY LOAN			- 30,552
LOAN PRINCIPLE REPYMT \$1.37M, 30 YR, 3.74%		25,395	25,395
NET OPERATING COSTS	38,127	110,520	79,968
<i>TOTAL ANNUAL REPAYMENT</i>		76,468	76,468
INCREMENTAL LEVY	1.0%	1.9%	1.1%

Temporary measure would reduce levy impact in 2017 from 1.9% to 1.1%



Impact of Building Construction and Borrowing on Levy

- To demonstrate the potential impact of building construction on the levy, the table below summarizes the financial impact of a building loan in terms of the annual loan repayment and amortization costs. Additional operating costs may also be applicable over and above these amounts. Loan rates are an estimate.
- The recommended duration of the loan depends on the expected lifespan of the building. The loan should be repaid before substantial repairs/renovations are anticipated.

Loan Amount	Annual Debt Repayment		Amortization Expense*	
	30 yr loan 3.75%	Levy Impact	Useful Life	
			30 yrs	Levy Impact
500,000	27,904	0.7	16,667	0.4
1,000,000	55,808	1.4	33,333	0.9
1,500,000	83,712	2.2	50,000	1.3

See Annex B for more examples

* *Not all construction costs are amortized*



Borrowing vs. Risk

- On an annual basis, MMAH evaluates the level of financial challenge facing municipalities based on their level of debt. This is examined by comparing debt servicing cost (annual debt repayments) as a % of total operating revenue.
- For the Township of McNab/Braeside, the level of challenge and associated repayment limits are noted below, based on the 2014 FIR, adjusted for 1x revenues:

Level of Challenge	\$ Threshold
Low	Annual debt repayment less than \$297,284/yr
Medium	Between \$297,284 and \$594,566
High	Greater than \$594,566



Buildings & Debt: An Example

- For example, if three buildings were built as per the example below, the annual loan repayment for all three buildings would equate to a 9.25% levy increase. Adding amortization and possible extra operating costs to this example, the total levy increase would be 14.0%.
- The levy impact for each building would be spread (at a minimum) over 2-3 years, with only interest paid during the construction phase of the project. Spreading a portion of the full impact of the cost increase over a longer period of time is possible through the temporary use of amortization to fund the loan repayment.
- This levy impact would be reduced if the cost of construction was partially offset by grants or other sources of funding, like the sale of surplus land. For the Township office, \$64,800 of annual funding is available in 2017 related to the Perneel property (1.7%).

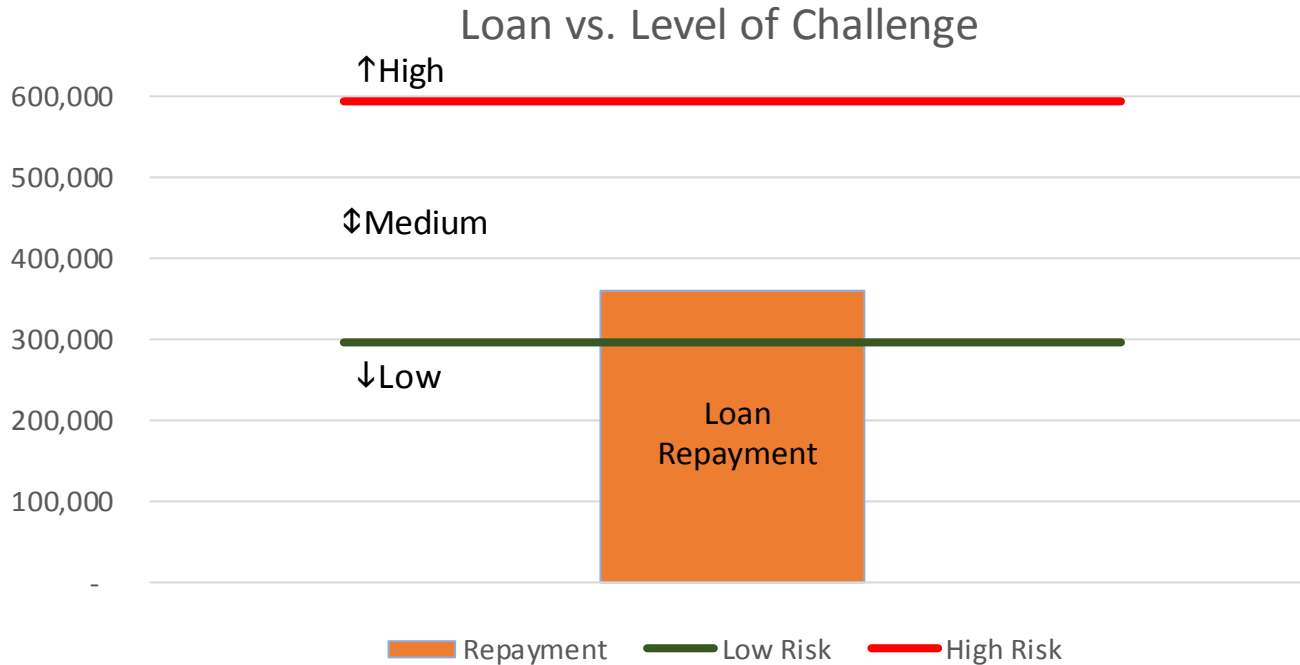
Example	Blg Cost	Annual Repymt		Amortization Expense*	Incr. Operating Costs	Total
Building #1	1,500,000	83,712	30 yr loan	37,500	3,500	124,712
Building #2	1,000,000	61,328	25 yr loan	30,000	-	91,328
Building #3	3,500,000	214,647	25 yr loan	105,000	7,500	327,147
Annual Debt Repayment		359,686				543,186
<i>Levy Increase</i>		<i>9.25</i>				<i>14.0</i>

* Assume amortizing 75% of costs



Buildings & Debt: An Example (cont.)

- Using the example from the previous page, this level of loan repayment would put the Township at the low-end of the medium-level of financial challenge.





Braeside Construction: Next Steps

- If the Braeside Sand/Salt Shed and Garage is to move forward in 2016 without delays in construction, a final decision would need to be made by January 19, 2016.
- Direction from Council is required to either move forward with the project as per one of the options presented by Greenview or investigate other alternatives/options. These options would be worked through the Building Committee and then presented to Council for further consideration and decision.
- In order to move forward with the budget, it is proposed to leave the \$38,137 of taxation funding in the budget as presented, with the understanding that while project funding is available in 2016, construction is not approved pending further consideration by Council. If the project does not ultimately move forward in 2016, the money can be used to fund other alternatives for the project, as well as other building initiatives currently under discussion.



Next Steps



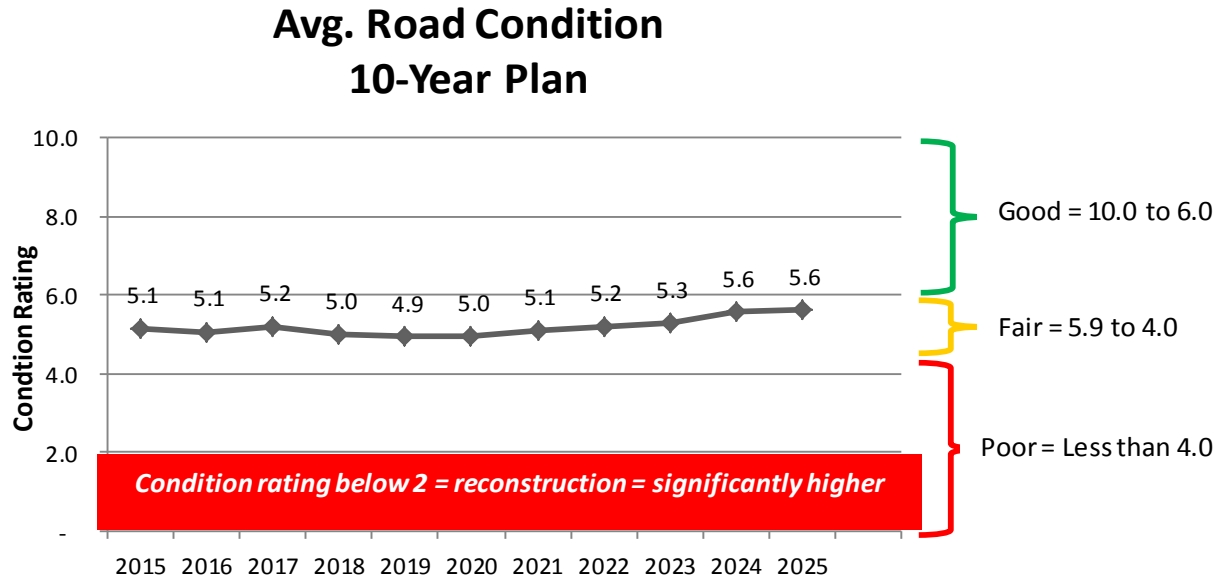
Annex A

10-year Roads Plan



10-year Roads Plan vs. Paved Road Conditions

- The current 10-year roads plan maintains Township roads at a “Fair” condition rating as per the graph below. If the 10-year plan is not followed, the condition rating will decline into the “Poor” classification.

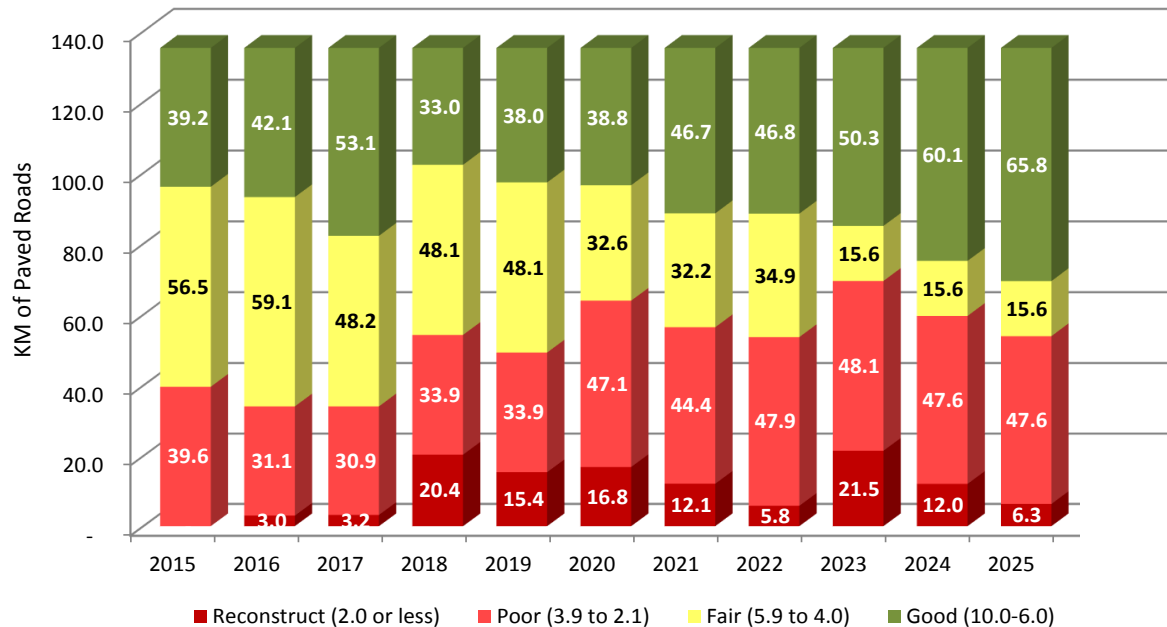




Revised Investment vs. Conditions (con't)

- At the end of the 10 year period: 35% of Township maintained roads will be in “poor” condition (est. condition rating less than 3.9); 5% of paved roads may require reconstruction (condition rating 2.0 or less). (Compared to the previous scenario: 67% poor, 38% reconstruction)

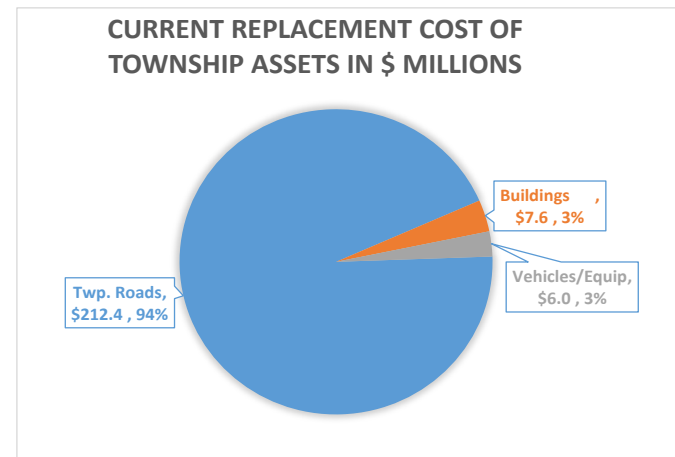
This strategy minimizes the number of roads requiring potentially expensive reconstruction.





Summary: 10-year roads plan

- While increasing the levy by approx. \$50K/year, the revised 10-year plan reduces the number of reconstruction-level roads. This will ultimately reduce the overall costs of road projects, allowing the Township to do more roads for the same dollars. Assessment growth has been earmarked to offset potential tax impacts of the 10-year roads plan.
- The Township has committed to updating the Asset Management Plan and re-assessing roads conditions every 5 years. The next formal re-assessment period for Roads is slated for 2018.
- Roads represent 94% of the Township's assets. Maintaining current Roads funding is critical in order to execute the ten-year plan, maintain roads at an acceptable level and avoid expensive reconstruction costs.





Annex B

Loan vs. Repayment



Loans, Annual Debt Repayments and Amortization Expense

- The table below summarizes possible loan amounts, the annual debt repayment based on a 25 year loan or a 30 year loan, and what the annual amortization expense would be if the same amount was expensed over 25 or 30 years. Interest rates are not guaranteed.
- The appropriate duration of the loan depends on the expected lifespan of the building. The loan should be repaid before substantial building repairs/renovations are anticipated.

Loan Amount	Annual Debt Repayment			
	25 yr loan	Levy	30 yr loan	Levy
	3.65%	Impact	3.75%	Impact
500,000	30,664	0.8	27,904	0.7
1,000,000	61,328	1.6	55,808	1.4
1,500,000	91,991	2.4	83,712	2.2
2,000,000	122,655	3.2	111,616	2.9
2,500,000	153,319	3.9	139,520	3.6
3,000,000	183,983	4.7	167,424	4.3
3,500,000	214,647	5.5	195,328	5.0
4,000,000	245,311	6.3	223,232	5.7

Amortization Expense*			
Useful Life			
25 yrs	Levy Impact	30 yrs	Levy Impact
20,000	0.5	16,667	0.4
40,000	1.0	33,333	0.9
60,000	1.5	50,000	1.3
80,000	2.1	66,667	1.7
100,000	2.6	83,333	2.1
120,000	3.1	100,000	2.6
140,000	3.6	116,667	3.0
160,000	4.1	133,333	3.4

* Not all construction costs are amortized