

**THE CORPORATION OF THE TOWNSHIP OF WELLINGTON NORTH
AGENDA SPECIAL MEETING OF COUNCIL
FEBRUARY 13, 2017 @ 7:00 P.M.
MUNICIPAL OFFICE COUNCIL CHAMBERS, KENILWORTH**

	PAGE
1. CALLING TO ORDER - Mayor Lennox	
2. ADOPTION OF THE AGENDA	
3. DISCLOSURE OF PECUNIARY INTEREST	
4. ITEMS FOR CONSIDERATION	
a. 2017 Budget Presentation	001
5. CONFIRMATORY BY-LAW	015
6. ADJOURNMENT	

The following accessibility services can be made available to residents upon request with two weeks' notice:

Sign Language Services – Canadian Hearing Society – 1-877-347-3427

- Kitchener location – 1-855-656-3748

TTY: 1-877-843-0368 Documents in alternate forms – CNIB – 1-800-563-2642

2017 Budget Process

- The aim of the annual budget is to focus and deliver on the values of Council for the Township of Wellington North
- Continuation of the budget process introduced in 2013 with consideration of longer term capital forecasting
- Carry-over of the capital justification process endorsed by Council in February of 2015
- Budget templates were sent to department heads in September 2016
- Treasurer meetings with Department Heads during September and October as required
- First budget meeting with Council and staff held on November 28th with additional meetings being scheduled as needed



2017 Budget Guidelines

- Freezing most operating account budgets at 2016 levels unless cost pressures were documented
- Corporate wide costs pressures:
 - Wages/Salary: potential increase of 1.6%
 - Health Benefits: increase of 6.3%
 - Utilities: Hydro increase of 7%
 - Insurance: potential increase of 5%
- Council directed projects, July 14, 2016:
 - Arthur Wastewater Treatment Plant
 - Community Growth Plan
 - Pamphlet for Fees & Charges associated with Development
 - Municipal Servicing Standards
 - Community Ambassador Program



Additional Impacts and Considerations

- The 2017 Ontario Municipal Partnership Fund (OMPF) allocation **increased by \$203,500** to \$1,379,700
- Township Debentures with balloon (bullet) payments coming due:
 - 2018 \$ 949,000
 - 2019 \$ 944,000
 - 2020 \$1,192,000
- Conservation Authority budgets continue to rely increasingly on municipal levy dollars (2017 estimated increase of \$2,016). Total estimated costs \$147,881
- Cemetery maintenance and capital requirements are significantly higher than interest earned on Cemetery Trust funds, requiring an increased allocation from tax levy (2017 \$13,629)



2017 Proposed Tax Levy Increase

A 4.0% levy increase = \$270,031 of additional levy dollars in comparison to the 2016 budgeted levy of \$6,750,773

MPAC data shows that as of Dec 31, 2016:

\$ 81,472 – is related to real growth (1.11% increase in new assessment)

\$188,559 – is a true levy increase (2.89% increase in tax levy)

\$270,031 Total Levy Increase

(Dedicated to capital renewal)



Growth Vs. Reassessment

- Growth is defined as new assessment – it has no impact on the current taxpayer
- During 2016 Wellington North had a net real assessment growth of 1.11% (2015 1.26%)
- There is also an increase in assessment due to the Province-wide reassessments done by MPAC in 2016 which will be phased in from 2017 to 2020. Wellington North's reassessment increase in 2017 is 6.95% (2016 3.17%)



A 4% Levy Increase

	2016	2017	Change from 2016
Capital Spending	\$1,609,090	\$2,012,552	\$ 403,462
Operating Spending	\$4,689,786	\$4,740,216	\$ 50,430
Transfer to Reserves & Res Funds	<u>\$ 451,900</u>	<u>\$ 269,063</u>	<u>\$(182,837)</u>
Total Levy	\$6,750,776	\$7,021,831	\$ 271,055

- **Capital Spending:** Increasing to reflect greater emphasis on Capital Projects and Infrastructure renewal.
- **Operating Spending:** Increase is less than inflation



Key Questions

1. What levy increase is acceptable? 2.5% max? November 28th draft reflects a 4.02% budget levy increase (budget to budget). 2016 In-year real growth will reduce the impact to 2.91%.
2. Does Council want to continue to make same level contributions to reserve and reserve funds in 2016, comparable to 2015 and 2014? Or is this the year we draw down on them significantly?
3. With the proposed significant use of reserve/reserve funds what happens if we are unsuccessful with our OCIF top-up application? Do we still have the financial capacity to proceed with those projects?
4. With the proposed use of reserve/reserve funds we will be somewhat limited to react to unforeseen items that were not captured in the 2017 budget or other funding opportunities that require matching funds from the Township. Are we comfortable with that?



Key Questions-continued

5. What capacity do we as a staff really have to complete Capital Projects particularly as it relates to water, sewer, roads projects? How many is too many? Does the budget reflect projects that we know that we can complete in 2017?
6. Are there Capital Projects that Council anticipated in 2017 that are not currently part of the budget? Are there projects that should be removed from the budget?





2017 DRAFT BUDGET OVERVIEW

January 16, 2017

Budget Changes

Operating Budget	Increase / (Decrease)	Balance
Total levy requirement (4.02%) at November 28, 2016		271,055
Adjustments following November 28th Budget meeting:		
Insurance reduction (0% increase) - corporate wide	(6,231)	
Roads -Increase to continue with brush events	7,000	
Increase to total community grants and donations	14,000	
Sidewalk master plan - moved from 2017 capital program offset by reduced transfer to reserves		
Increase to CBO Training Expense offset by reduced transfer to reserves		
Total Adjustments		14,769
Total levy requirement (4.24%) at January 16, 2017 Budget meeting:		285,824

Capital Budget Changes	Increase / (Decrease)	Balance
Total Capital Expenditures at November 28, 2016		8,635,250
Sidewalk study moved to operating budget	(20,000)	
Arthur Splash Pad added	140,000	
Information Technology expenditures added	66,750	
Total Adjustments		186,750
Total Estimated Project Costs		8,822,000

2017 Tax Increase Comparisons

Increase in Budget Levy	3%	4%	5%	6%
Total levy increase	\$ 202,523	\$ 270,031	\$ 337,538	\$ 405,045
Increase/Avg Residential Assessment (\$236.7K)	\$ 10.38	\$ 22.11	\$ 33.84	\$ 45.57

2016 MPAC Assessment Update

Over the next 4 years, the average change in property assessment within Wellington North is summarized in the following chart:

Property Type	Increase
Average Residential	18.0%
Farm Property	64.0%
Multi Residential	28.0%
Commercial	12.4%
Industrial	12.0%



Impact on Taxpayers – Wellington North Portion Only

- Assessment data comes from the Municipal Property Assessment Corporation (MPAC) and is fine tuned by the County. The figures below either reflect a mean (average) property value or a typical (median) property value, based on the best available data. **The median or typical property in each group represents a property with an assessed value at or near the midpoint or median for the group and a per cent change in assessment for the year at or near the median for the group.**
- Calculations are based on a 4.0% Township levy increase for 2017 over the 2016 Budget Levy.

Property Type	2016 Assessment	2017 Assessment	2016 TWP Taxes	2017 TWP Taxes	\$ Tax Change	% Tax Change
RT-Single Family Dwelling (average)	227,484	236,726	1,197.85	1,219.96	22.11	1.85
RT – Farm House (typical)	144,500	155,100	760.88	799.30	38.42	5.05
FT – Farmland (typical)	518,500	630,275	682.56	812.03	129.47	18.97
CT – Commercial (typical)	403,970	351,768	3,146.07	2,681.17	(464.90)	(14.78)
IT – Industrial (typical)	511,308	611,803	6,461.68	7,566.99	1,105.31	17.11

Residential Tax Impact per \$100,000 of Assessment

- 2016 taxes per \$100,000 in assessment
 - Township portion \$526.56
 - County portion \$642.78
 - Education portion \$188.00
 - Total Taxes \$1,346.58

- For 2017, residential assessments have increased approximately 4.06%. 2017 taxes per \$104,060
 - Township portion \$536.27
 - County portion – Est. \$652.78 – 2017 tax rates not avail
 - Educ. portion – Est. \$190.00 – 2017 tax rates not avail
 - Total Taxes – Est. \$1,379.05



Project Costs

Dept/Year	2013	2014	2015	2016
Roads & Drainage	\$ 1,619,800	\$ 1,669,200	\$ 2,372,662	\$ 4,658,403
Waterworks	\$ 647,200	\$ 777,000	\$ 1,250,280	\$ 933,367
Sanitary Sewers	\$ 738,426	\$ 792,000	\$ 1,055,453	\$ 1,138,101
Fleet			\$ 452,000	\$ 462,000
Parks & Recreation	\$ 141,000	\$ 118,500	\$ 57,900	\$ 159,382
Fire	\$ 441,150	\$ 18,000	\$ 50,000	\$ 45,176
Admin & Property	\$ 89,604	\$ 48,000	\$ 52,000	\$ 293,750
Cemetery	\$ -	\$ 8,200	\$ 7,000	\$ -
Total	\$ 3,677,180	\$ 3,430,900	\$ 5,297,295	\$ 7,690,179

Funding Model

Source/Year	2013	2014	2015	2016
Revenue	\$ 1,982,733	\$ 2,328,865	\$ 2,210,196	\$ 2,327,351
Grants	\$ 699,198	\$ -	\$ 529,122	\$ 1,487,112
Devt Chrgs & Reserves	\$ 782,712	\$ 757,035	\$ 706,440	\$ 2,094,473
Borrowing	\$ -	\$ -	\$ -	\$ -
Gas Tax	\$ 212,537	\$ 345,000	\$ 161,520	\$ 503,294
Sustained OCIF	\$ -	\$ -	\$ 294,841	\$ 294,841
Prior Year CarryFwd	\$ -	\$ -	\$ 1,395,176	\$ 571,284
Unfunded Amounts	\$ -	\$ -	\$ -	\$ 411,824
				MF King St
Total	\$ 3,677,180	\$ 3,430,900	\$ 5,297,295	\$ 7,690,179



Annual Amortization Expense is approximately \$4.5M. Ideally, this would be considered the minimum amount of annual investment in capital replacement .



**THE CORPORATION OF THE
TOWNSHIP OF WELLINGTON NORTH**

BY-LAW NUMBER 015-17

BEING A BY-LAW TO CONFIRM THE PROCEEDINGS OF THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF WELLINGTON NORTH AT ITS SPECIAL MEETING HELD ON FEBRUARY 13, 2017.

WHEREAS Section 5 of the Municipal Act, S.O. 2001 c.25 (hereinafter called "the Act") provides that the powers of a Municipal Corporation shall be exercised by its Council;

AND WHEREAS Section 5(3) of the Act states, a municipal power, including a municipality's capacity, rights, powers and privileges under Section 9, shall be exercised by by-law, unless the municipality is specifically authorized to do otherwise;

NOW THEREFORE the Council of The Corporation of the Township of Wellington North hereby **ENACTS AS FOLLOWS:**

1. The action of the Council of the Corporation of the Township of Wellington North taken at its meeting held on February 13, 2017 in respect of each motion and resolution passed and other action taken by the Council of the Corporation of the Township of Wellington North at its meeting, is hereby adopted and confirmed as if all such proceedings were expressly embodied in this By-law.
2. That the Mayor and the proper officials of the Corporation of the Township of Wellington North are hereby authorized and directed to do all things necessary to give effect to the action of the Council of the Corporation of the Township of Wellington North referred to in the proceeding section hereof.
3. The Mayor and the Clerk are authorized and directed to execute all documents necessary in that behalf and to affix thereto the Seal of the Corporation of the Township of Wellington North.

**READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED
THIS 13TH DAY OF FEBRUARY, 2017.**

**ANDREW LENNOX
MAYOR**

**KARREN WALLACE
CLERK**