

**THE CORPORATION OF THE TOWNSHIP OF WELLINGTON NORTH
AGENDA OF SPECIAL COUNCIL MEETING – FEBRUARY 27, 2023 AT 2:00 P.M.
MUNICIPAL OFFICE COUNCIL CHAMBERS, KENILWORTH
HYBRID MEETING - IN PERSON AND VIA WEB CONFERENCING**

HOW TO JOIN

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join. <https://us02web.zoom.us/j/85405576853>

Or join by phone:

Canada: 855 703 8985 (Toll Free) or 1 647 374 4685 (long distance charges may apply)

Webinar ID: 854 0557 6853

**PAGE
NUMBER**

CALLING TO ORDER

ADOPTION OF THE AGENDA

Recommendation:

THAT the Agenda for the February 27, 2023 Special Meeting of Council be accepted and passed.

DISCLOSURE OF PECUNIARY INTEREST

ITEMS FOR CONSIDERATION

1. FINANCE

a. 2023 Budget Presentation

001

Recommendation:

THAT the Council of the Corporation of the Township of Wellington North receive the 2023 Budget Presentation.

CONFIRMING BY-LAW

058

Recommendation:

THAT By-law Number 017-23 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 27, 2023 be read a First, Second and Third time and enacted.

ADJOURNMENT

Recommendation:

THAT the Special Council meeting of February 27, 2023 be adjourned at ___:___ p.m.

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

February 22, 2023



Township of Wellington North

2023 Budget

Presented by
Farhad Hossain, MBA, MSc
Director of Finance/Treasurer



Budget presentation deck

1. Introduction
2. Operating budget
3. Capital budget
4. Discussion

Appendix

1. 10-year capital forecast
2. List of all capital projects
3. Reserve and reserve fund summary report
4. Mount Forest Outdoor Pool and Aquatics Centre Staff Report - OPS 2023-008
5. Financial Indicator Review Report from MMAH
6. Capital Justification Sheets
7. Detail Line-item budget document, available upon request

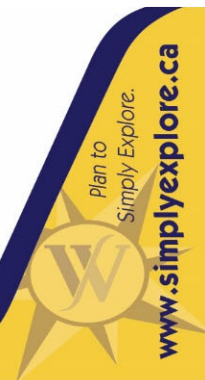


2023 BUDGET OVERVIEW

Feb 27, 2023

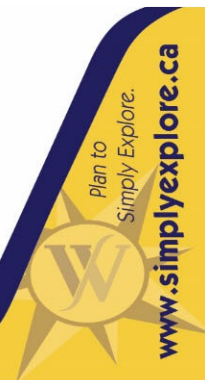
2023 Budget Introduction

- The primary purpose of the budget is to maximize public good, where
 - capital budget focuses on infrastructure development
 - operating budget focuses on delivering affordable, quality day-to-day services
- Our financial statements (FIR) divide the services of the municipality into seven segments:
 1. General Government,
 2. Protection to Persons and Property,
 3. Transportation Services,
 4. Environmental Services,
 5. Health Services,
 6. Recreation and Cultural Services, and
 7. Planning and Development Services



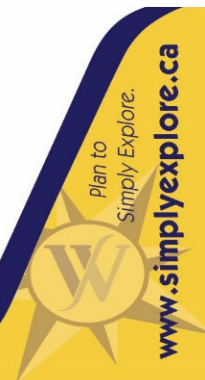
2023 Budget Process

- Budget templates sent to department heads on September 30, 2022
- Treasurer met with Department Heads during November, December, and January as required
- First budget meeting with Council and staff held on Feb 27th, with additional meetings scheduled for March 20, 2023.
- Budget process outcome
 - tax levy decision
 - capital projects decision



2023 Budget Guidelines

- Operating Budget 2023 assumes the status quo for service level, meaning the township will continue to provide the same level of service it budgeted the previous year (2022) unless otherwise proposed and documented.
- Corporate-wide cost pressures:
 - Wages/Salary: COLA - 1.6%
 - Health Benefits: increase of 6.9%
 - Municipal Insurance renewal – 22% increase
 - Utilities: Hydro increase of 3% (WNP Guidance)
 - Ontario 2022 Annual Average Inflation – 6.8%
 - Construction Price Index (Inflation, Q3 2022) – 15.6%



2023 Budget Impact Items

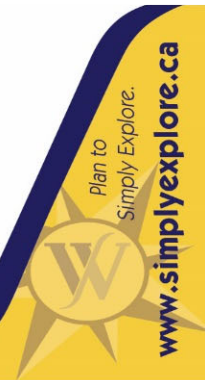
- No consideration for COVID–19 resurgence is incorporated into the budget
- All conservation authority has submitted their budgets

Conservation Authority	2021 Budget	2022 Budget	2023 Budget	Diff - \$	Diff - %
Saugeen Valley Conservation Authority	70,373	73,997	81,626	7,629	10.3%
Grand River Conservation Authority	56,948	55,274	57,083	1,809	3.3%
Maitland Valley Conservation	45,435	48,615	51,124	2,509	5.2%
	172,756	177,886	189,833	11,947	6.7%



Growth Vs. Reassessment

- Growth is defined as new assessment – it has no impact on the current taxpayer
- During 2022, Wellington North has realized an estimated real assessment growth of 2.26%
 - (2021 – 1.48%, 2020 – 1.52%, 2019 – 1.53%)
- Property assessment for the 2023 tax years will remain unchanged.
- The government has prioritized stability for property taxpayers and municipalities. The valuation of 2016 (January 1, 2016) will remain in effect for 2023





2023 OPERATING BUDGET

Operating Budget Summary Analysis by Segment

FIR Category	2021 Budget	2022 Budget	2023 Budget	% Change	Change \$
General Government					
General Government	-1,638,850	-1,636,950	-1,741,900	6.4%	-104,950
Other Revenues-Supps/Omitts/Writeoffs	-167,116	-167,116	-216,770	29.7%	-49,654
Council	289,689	276,276	289,923	4.9%	13,647
Administration	984,846	1,046,164	1,347,788	28.8%	301,623
Property	1,241	4,491	-7,786	-273.4%	-12,277
Subtotal - General Government	-530,190	-477,134	-328,746	-31.1%	148,389



Operating Budget Summary Analysis by Segment (Continued)

FIR Category	2021 Budget	2022 Budget	2023 Budget	% Change	Change \$
Protection Services					
Fire	922,645	965,085	1,015,643	5.2%	50,558
Police/Crossing Guard	51,282	51,332	48,718	-5.1%	-2,614
Conservation Authority	173,006	177,886	189,833	6.7%	11,947
Protective Inspection & Control					
Animal Control	7,154	7,719	7,948	3.0%	229
By-Law Enforcement	58,310	64,497	61,503	-4.6%	-2,993
Subtotal - Protection Services	1,212,397	1,266,519	1,323,645	4.5%	57,126



Operating Budget Summary Analysis by Segment (Continued)

FIR Category	2021 Budget	2022 Budget	2023 Budget	% Change	Change \$
Transportation Services					
Roads	4,242,750	4,606,832	4,918,608	6.8%	311,777
Streetlights					
Rural Water	7,800	7,908	7,400	-6.4%	-508
Subtotal - Transportation Services	4,250,550	4,614,740	4,926,008	6.7%	311,269



Operating Budget Summary Analysis by Segment (Continued)

FIR Category	2021 Budget	2022 Budget	2023 Budget	% Change	Change \$
Health Services					
Hospital	0	0	0	0.0%	0
Cemetery	100,118	99,880	105,524	5.6%	5,643
Subtotal - Health Services	100,118	99,880	105,524	5.6%	5,643
Recreation and Cultural Services					
Parks & Recreation	2,425,886	2,224,884	2,286,586	2.8%	61,702
Subtotal - Recreation and Cultural Services	2,425,886	2,224,884	2,286,586	2.8%	61,702



Operating Budget Summary Analysis by Segment (Continued)

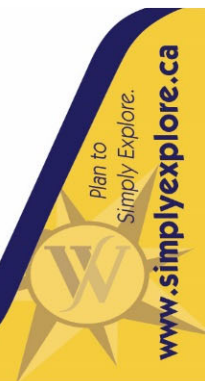
FIR Category	2021 Budget	2022 Budget	2023 Budget	% Change	Change \$
Planning and Development					
Planning	73,031	67,065	43,842	-34.6%	-23,224
Commercial & Industrial Economic Development	241,640	244,233	256,036	4.8%	11,803
Tile Drains Municipal Drains	45,700	45,500	45,500	0.0%	0
Subtotal - Planning and Development	360,371	356,798	345,378	-3.2%	-11,421



2023 Operating Budget Summary Analysis by Segment

Service Area	2021 Budget	2022 Budget	2023 Budget	% Change	Change \$
General Government	-530,190	-477,134	-328,746	-31.1%	148,389
Protection Services	1,212,397	1,266,519	1,323,645	4.5%	57,126
Transportation Services	4,250,550	4,614,740	4,926,008	6.7%	311,269
Health Services	100,118	99,880	105,524	5.6%	5,643
Recreation and Cultural Services	2,425,886	2,224,884	2,286,586	2.8%	61,702
Planning and Development	360,371	356,798	345,378	-3.2%	-11,421
Environmental Services	-	-	-	0.0%	-
Total Levy Requirement	7,819,132	8,085,687	8,658,395	7.1%	572,708

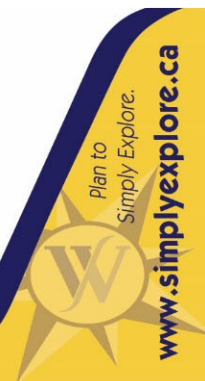
- Inter-functional Transfers are the same as in 2022



2023 Operating Budget Summary Analysis by Segment

Tax Levy Transfers	2021 Budget	2022 Budget	2023 Budget	% Change	Change \$
To Capital	1,951,980	2,022,165	2,161,943	6.9%	139,778
To Reserves	629,406	619,336	691,717	11.7%	72,381
To Reserve Funds	5,000	5,000	5,000	0.0%	-
	2,586,386	2,646,501	2,858,660	8.0%	212,159

- Levy amount could be modified by changing the tax levy transfers



Reserves / Reserve Funds – Net Transfers (Preliminary)

Net Reserve & Reserve Fund Transfers

2022			
	<u>From</u>	<u>To</u>	<u>Net</u>
Council	0	120,700	120,700
Admin	42,500	52,000	9,500
Property	0	16,000	16,000
Fire	0	210,600	210,600
CBO	0	35,554	35,554
Roads	0	79,482	79,482
Streetlights	0	5,000	5,000
Rec	0	100,000	100,000
Planning	0	0	0
Cemetery	0	5,000	5,000
WNP Holding	0	0	0
Taxation Total	42,500	624,336	581,836
Sewer	685,447	508,538	(176,909)
Water	0	189,721	189,721
User Fee Total	685,447	698,259	12,812
Grand Total	727,947	1,322,595	594,648

2023				
	<u>From</u>	<u>To</u>	<u>Net</u>	<u>2022 vs 2023</u>
Council		120,700	120,700	0
Admin	42,500	52,000	9,500	0
Property		16,000	16,000	0
Fire		210,600	210,600	0
CBO		102,935	102,935	67,381
Roads		79,482	79,482	0
Streetlights		5,000	5,000	0
Rec		100,000	100,000	0
Planning		0	0	0
Cemetery		5,000	5,000	0
WNP Holding		0	0	0
Taxation Total	42,500	691,717	649,217	67,381
Sewer	685,447	427,204	(258,243)	(81,334)
Water	0	407,488	407,488	217,767
User Fee Total	685,447	834,692	149,245	136,433
Grand Total	727,947	1,526,409	798,462	203,814



Draft Budget Modeling – 2023 Tax Implication – Base Case

	<u>2021</u>	<u>2022</u>	<u>2023 (Draft)</u>	<u>YoY Increase (%)</u>
Operating Budget	5,232,746	5,481,686	5,847,235	6.67%
Policy Mandated Transfer to Reserve fund	141,200	115,700	115,700	0.00%
Net Transfers	493,206	466,136	533,517	14.46%
Contributions to Capital	1,951,980	2,022,165	2,161,943	6.91%
Total Budgeted Tax Levy	7,819,132	8,085,687	8,658,395	7.08%
			Organic Growth	2.26%
			Impact to Existing Taxpayer	4.82%



Draft Budget Modeling – 2023 Tax Implication – Base Case

	<u>2023</u>
AMOUNT TO BE RAISED - BAU	<u>\$ 8,658,395</u>
Tax Rate = amount to be raised/weighted assessment =	0.00496247

<u>COMPARISON OF TAXES</u>	<u>2023</u>	<u>2022</u>
Residential Assessment	\$ 271,636.00	\$ 269,673.00
Tax Rate	0.00496247	0.00473502
Taxes	\$1,347.99	\$1,276.91
Increase over 2022		\$71.08



New Staffing – 3 FTE - \$286,455.4

Position	Hours of Work	Approx. Benefits Premiums	Wage
Executive Officer/Assistant	35 hours/week	\$15,000	\$70,743.40 annually
Director of Community Services	35 hours/week	\$30,000	\$123,032.00 annually
Co-op Position	35 hours/week	\$4,000	\$18-24/hour \$43,680.00 annually
	Total:	\$49,000.00	\$237,455.40



Draft Budget Modeling – 2023 Tax Implication – w/ New Staffing

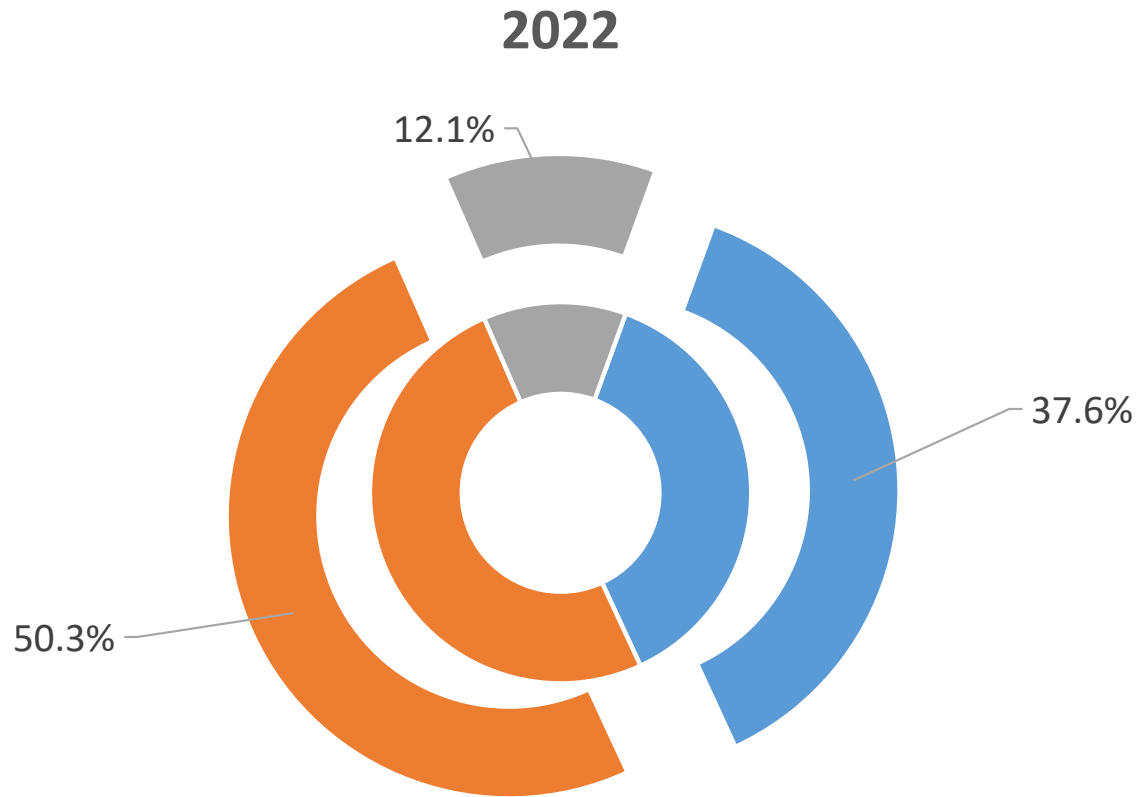
	<u>2023</u>
AMOUNT TO BE RAISED	<u>\$ 8,944,850</u>
Tax Rate = amount to be raised/weighted assessment =	0.00512665

<u>COMPARISON OF TAXES</u>	<u>2023</u>	<u>2022</u>
Residential Assessment	\$ 271,636.00	\$ 269,673.00
Tax Rate	0.00512665	0.00473502
Taxes	\$1,392.58	\$1,276.91
Increase over 2022		\$115.68

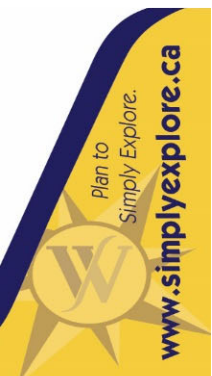


\$44.6 per household; \$71.08 vs. \$115.68

Distribution of Tax Dollars 2022 Split



■ Municipal ■ County ■ Education





2023 CAPITAL BUDGET

MMAH Report on Debt and Asset Consumption

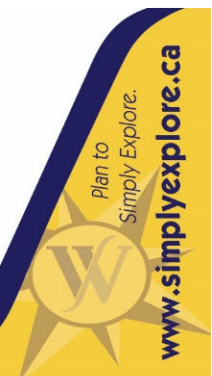
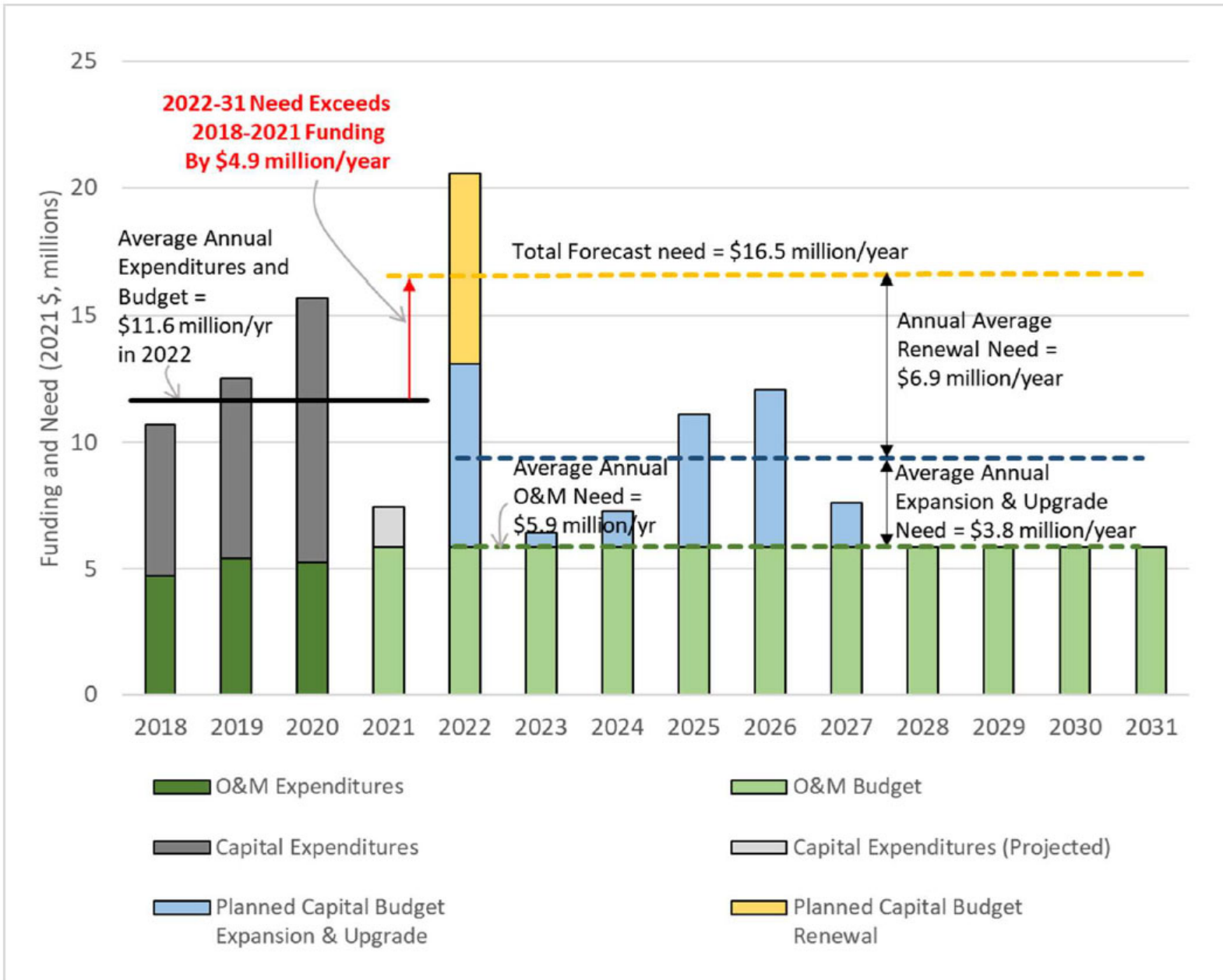
Indicator	Ranges	Actuals	South - LT - Counties - Rural		Level of Risk
			Median	Average	

FLEXIBILITY INDICATORS

Indicator	Ranges	2017	2018	2019	2020	2021	Level of Risk
Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)	Low: < 5% Mod: 5% to 10% High: >10%	8.2%	8.4%	6.5%	8.0%	1.7%	MODERATE
		2.7%	2.5%	2.6%	2.3%	2.2%	MODERATE
		3.3%	3.1%	3.1%	3.2%	3.0%	MODERATE
							LOW
Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)	Low: < 50% Mod: 50% to 75% High: > 75%	54.2%	54.4%	55.5%	55.8%	54.5%	MODERATE
		43.8%	43.7%	43.9%	44.8%	45.2%	MODERATE
		45.5%	46.0%	46.2%	46.5%	46.9%	MODERATE
							MODERATE



Infrastructure Gap – Asset Management Plan



Capital Program – 10 Year Capital Forecast

Renewal and Maintenance Projects	Total
Full Road Reconstruction	\$ 56,827,149
Sidewalk /Pedestrian Safety Investment	\$ 2,841,357
Equipment Investment	\$ 11,365,430
Recreation Investment	\$ 21,310,181
Pavement Rehabilitation	\$ 14,206,787
Bridge Rehabilitation	\$ 10,655,090
Subtotal	\$ 117,205,994
Major Capital Projects	
Arthur Water Tower	\$ 5,788,125
Arthur Water Supply	\$ 4,961,250
Mount Forest Water Tower	\$ 6,381,408
Mount Forest Wastewater Plant Upgrade	\$ 7,387,277
Arthur Wastewater Plant Upgrade	\$ 13,125,000
Arthur Operations Centre	\$ 5,512,500
Mount Forest Operations Centre	\$ 7,035,502
Mount Forest Fire Hall	\$ 8,682,188
Kenilworth Town Hall	\$ 3,190,704
Mount Forest Outdoor Pool and Aquatics Cent	\$ 6,442,183
Arthur and Area Community Centre	\$ 5,512,500
Mount Forest & District Sports Complex	\$ 3,517,751
Subtotal - Major Capital Projects	\$ 77,536,388
Total Capital Project Cost	\$ 194,742,382



Capital Program – 10 Year Capital Forecast

Funding Options	Total
OCIF	\$ 22,000,000
Gas Tax	\$ 8,800,000
Operating budget contribution - tax base	\$ 22,000,000
Operating budget contribution - user base	\$ 14,300,000
Development Charges	\$ 8,900,000
Reserve use	\$ 16,500,000
Senior govt conditional grant	
Total funding available - estimate	\$ 92,500,000
Funding Surplus (deficit)	-102,242,381.82



Draft 2023 Capital Program – Wishlist

Row Labels	Total Cost	Carry Forward Projects	2023 Asks	Future Asks
Environmental Services	15,752,337	2,264,337	13,488,000	
General Government	621,781		406,781	200,000
Health Services	49,849		49,849	
Protection Service	504,500		504,500	
Recreation and Cultural Services	6,423,000		6,423,000	
Transportation Services	12,523,323	4,812,323	5,137,400	2,573,600
Grand Total	35,874,790	7,076,660	26,009,530	2,773,600



Draft 2023 Capital Program – Wishlist W/O – Two Big Projects

Row Labels	Total Cost	Carry Forward Projects	2023 Asks	Future Asks
Environmental Services	3,302,337	2,264,337	1,038,000	
General Government	621,781		406,781	200,000
Health Services	49,849		49,849	
Protection Service	504,500		504,500	
Recreation and Cultural Services	1,145,000		1,145,000	
Transportation Services	12,523,323	4,812,323	5,137,400	2,573,600
Grand Total	18,146,790	7,076,660	8,281,530	2,773,600

Project Name
Mount Forest - Water Tower
Mount Forest Drive/Sobey's (Enginee...
Mount Forest Outdoor Pool and Aqua...
Multi-year Budget Software
New Mount Forest Fire Station - Desig...

Project Name
Arthur Station HVAC Replacement
Arthur Supply Environmental and Oth...
Arthur Wastewater Treatment Plant – ...
Asset Management System
Ball Diamond Groomer



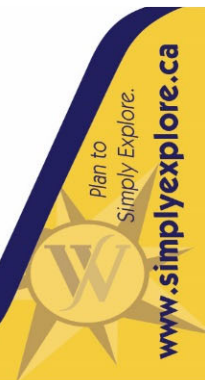
Draft 2023 Capital Program – Recreation Services

Row Labels	Total Cost	Carry Forward Projects	2023 Asks	Future Asks
Arthur and Area Community Centre -	1,000,000		1,000,000	
Ball Diamond Groomer	10,000		10,000	
Lawn Mower for Mount Forest	60,000		60,000	
MF Sports Complex Improvements	75,000		75,000	
Mount Forest Outdoor Pool and Aqua	5,278,000		5,278,000	
Grand Total	6,423,000		6,423,000	



Draft 2023 Capital Program – Environmental Services

Row Labels	Total Cost	Carry Forward Projects	2023 Asks	Future Asks
Arthur - Water Supply and Tower Land	300,000		300,000	
Arthur Supply Environmental and Other Assessments	375,000	175,000	200,000	
Arthur Wastewater Treatment Plant – Phase 2 Upgrade	12,450,000		12,450,000	
Mount Forest - Water Tower	1,700,600	1,700,600		
OCWA Projects (Arthur & Mount Forest)	273,000		273,000	
South Water Street - SPS	15,517	15,517		
Water System Physical Security	100,000		100,000	
Water Valve Repair Tool	15,000		15,000	
Watermain Valve and Fire Hydrant Replacement	150,000		150,000	
Wells St. Extension (Domville to Future St. A) - Sewer	74,220	74,220		
Wells St. Extension (Domville to Future St. A) - Water	299,000	299,000		
Grand Total	15,752,337	2,264,337	13,488,000	



Draft 2023 Capital Program – General Government

Row Labels	Total Cost	Carry Forward Projects	2023 Asks	Future Asks
Asset Management System	174,781		174,781	
Community Satisfaction Survey	15,000		15,000	
Growth Management Strategy Update	50,000		50,000	
IT Network Design	50,000		50,000	
Kenilworth Office Parking Lot	200,000		0	200,000
Keyless Entry Control	12,000		12,000	
Multi-year Budget Software	30,000		30,000	
Record Management Software	50,000		50,000	
Strategic Planning	40,000		25,000	
Grand Total	621,781		406,781	200,000



Draft 2023 Capital Program – Protection Services

Row Labels	Total Cost	Carry Forward Projects	2023 Asks	Future Asks
Arthur Station HVAC Replacement	14,500		14,500	
New Mount Forest Fire Station - Design only	50,000		50,000	
SCBA Replacement	400,000		400,000	
Truck Lighting System - Car 3	10,000		10,000	
WN Fire Service Review	30,000		30,000	
Grand Total	504,500		504,500	



Draft 2023 Capital Program – Transportation Service – Part 1

Row Labels	Total Cost	Carry Forward Projects	2023 Asks	Future Asks
Arthur OPC - Land	500,000		500,000	
Clarke St. (Between Smith and Domville)	12,073	12,073		
Cork Street - Princess to Waterloo Street - Road	862,000		862,000	
Culvert Replacement - Sideroad 9 W	220,000		220,000	
Design Projects - Adelaide	100,000		100,000	
Design Projects - Fergus St N	100,000		100,000	
Develop Master Stormwater Management Plan	30,000	30,000		
Develop Sidewalk Master Plan	20,500	20,500		
Development Vehicle	40,000		40,000	
Domville Street - Conestoga to Andrew Street	2,300,000	2,300,000	0	
Equipment - Back-hoe (275)	275,000		275,000	
Equipment - Pick-up (60)	60,000		60,000	
Equipment - Plow (360)	360,000		360,000	
Fergus St. N (Between Durham and Birmingham)	18,000	18,000		
Fergus St. N (Between Wellington and Birmingham)	18,000	18,000		



Draft 2023 Capital Program – Transportation Service

John Street - Queen to Waterloo Street	1,517,000			1,517,000
Main St N - Traffic Signals (Sobey's)	500,000		500,000	
Mount Forest Drive/Sobey's (Engineering Only)	10,250	10,250		
Preston St. N (Between Smith and Domville)	46,500	46,500		
Preston Street North	350,000		350,000	
Radio unit Replacements	25,000	25,000		
Roads needs study/TMP	75,000		75,000	
Rural Resurfacing - Line 12 - County Road 14 to 16	550,000		550,000	
Rural Resurfacing - Sideroad 5W - Landfill Entrance to Conc	120,000		120,000	
Rural Resurfacing - Sideroad 7E - Highway 6 to Concession 2	300,000		300,000	
Rural Road Rebuild - Sideroad 13 - County Rd 109 to Line 2	60,000		60,000	
Rural Road Rebuild - Sideroad 9W - Concession 7 to 9	60,000		60,000	
Sidewalk New - Wellington E, Foster St	128,000		128,000	
Sidewalk Replacement - Queen W, Conestoga N, Edward	60,000		60,000	
Smith Street in Arthur (Connecting Link)	1,174,000		117,400	1,056,600
Structure 2040 - SR13	220,000	220,000		
Structure 40 - Line 6	360,000	360,000		
Structure 9 – Sideroad 3E - Bridge	1,230,000	1,230,000		
Urban Paving	300,000		300,000	
Wells St. Extension (Domville to Future St. A) - Roads	522,000	522,000		
Grand Total	12,523,323	4,812,323	5,137,400	2,573,600



Draft 2023 Capital Program – Health Services

Row Labels	Total Cost	Carry Forward Projects	2023 Asks	Future Asks
Columbarium Mount Forest Cemetery	49,849		49,849	
Grand Total	49,849		49,849	



Draft Capital Program Trend

Project Costs

Dept/Year	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023 v1</u>	<u>2023 v2</u>
Council Directed Projects	-	1,171,220	1,696,220		
20in20 Initiatives	-	152,331	35,500		
Development Projects	860,385	306,220	176,837		
Roads/Drainage/Fleet	6,414,583	5,888,282	7,941,407	10,024,723	10,024,723
Water/Wastewater	9,851,048	5,873,144	3,670,608	15,752,337	3,302,337
Parks & Recreation	1,438,647	1,456,845	1,325,570	6,348,000	1,070,000
Fire	99,200	258,700	138,000	504,500	504,500
Admin & Property	254,125	10,000	165,750	406,781	406,781
Cemetery	-	-	-	49,849	49,849
Total	18,917,988	15,116,742	15,149,892	33,086,190	15,358,190



Draft Capital Program Trend – Funding

Funding Model Source/Year	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023 v1</u>	<u>2023 v2</u>
Revenue (levy, fees, etc)	3,716,047	3,512,480	4,874,271	3,459,105	3,459,105
Grants	2,039,830	3,272,983	1,343,688	400,000	400,000
Dev't Charges & Reserves	1,818,845	2,390,781	347,150	2,334,118	2,334,118
Developer Contributions	344,655	334,905	21,500		
External Debt	-	-	-	-	-
Gas Tax	566,000	200,000	655,000	895,065	895,065
Sustained OCIF	1,030,120	909,000	900,000	3,067,946	3,067,946
Prior Year Carry Fwd	9,436,366	4,496,593	6,363,384	7,076,660	7,076,660
Unfunded Amounts	- 33,875	-	644,899		
	18,917,988	15,116,742	15,149,892	17,232,894	17,232,894



Reserves / Reserve Funds – Nov 2022 Balances

Name of Reserve and Reserve Funds	Beginning Balance	Change	Ending Balance
Development Charges	-2,826,745.08	-1,592,978.40	-4,419,723.48
Other Obligatory Reserve Funds	-1,470,456.80	216,267.72	-1,254,189.08
Taxation Reserve Funds	-6,431,682.09	855,350.30	-5,576,331.79
Taxation Reserves	-2,047,566.08	388,044.80	-1,659,521.28
User Fee Reserve Funds	-7,233,669.04	-473,421.93	-7,707,090.97
Grand Total	-20,010,119.09	-606,737.51	-20,616,856.60



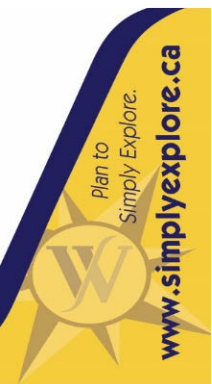
Council Direction Required

- Direction re: target levy for 2023
- Items required for addition or omission from the current 2023 capital program
- Comfort level with utilization of reserves / reserve funds to reduce contributions to capital program from levy
- Others?



Discussion

OPEN FOR DISCUSSION



**Township of Wellington North
10-Year Capital Project Forecast
February 2023**

Inflationary Pressure	5%														
Renewal and Maintenance Projects	Traditionally	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Average	Total	
Full Road Reconstruction	\$ 4,000,000	\$ 4,000,000	\$ 4,200,000	\$ 4,410,000	\$ 4,630,500	\$ 4,862,025	\$ 5,105,126	\$ 5,360,383	\$ 5,628,402	\$ 5,909,822	\$ 6,205,313	\$ 6,515,579	\$ 5,166,104	\$ 56,827,149	
Sidewalk /Pedestrian Safety Investment	\$ 200,000	\$ 200,000	\$ 210,000	\$ 220,500	\$ 231,525	\$ 243,101	\$ 255,256	\$ 268,019	\$ 281,420	\$ 295,491	\$ 310,266	\$ 325,779	\$ 258,305	\$ 2,841,357	
Equipment Investment	\$ 800,000	\$ 800,000	\$ 840,000	\$ 882,000	\$ 926,100	\$ 972,405	\$ 1,021,025	\$ 1,072,077	\$ 1,125,680	\$ 1,181,964	\$ 1,241,063	\$ 1,303,116	\$ 1,033,221	\$ 11,365,430	
Recreation Investment	\$ 1,500,000	\$ 1,500,000	\$ 1,575,000	\$ 1,653,750	\$ 1,736,438	\$ 1,823,259	\$ 1,914,422	\$ 2,010,143	\$ 2,110,651	\$ 2,216,183	\$ 2,326,992	\$ 2,443,342	\$ 1,937,289	\$ 21,310,181	
Pavement Rehabilitation	\$ 1,000,000	\$ 1,000,000	\$ 1,050,000	\$ 1,102,500	\$ 1,157,625	\$ 1,215,506	\$ 1,276,282	\$ 1,340,096	\$ 1,407,100	\$ 1,477,455	\$ 1,551,328	\$ 1,628,895	\$ 1,291,526	\$ 14,206,787	
Bridge Rehabilitation	\$ 750,000	\$ 750,000	\$ 787,500	\$ 826,875	\$ 868,219	\$ 911,630	\$ 957,211	\$ 1,005,072	\$ 1,055,325	\$ 1,108,092	\$ 1,163,496	\$ 1,221,671	\$ 968,645	\$ 10,655,090	
Subtotal	\$ 8,250,000	\$ 8,250,000	\$ 8,662,500	\$ 9,095,625	\$ 9,550,406	\$ 10,027,927	\$ 10,529,323	\$ 11,055,789	\$ 11,608,578	\$ 12,189,007	\$ 12,798,458	\$ 13,438,381	\$ 10,655,090	\$ 117,205,994	
Major Capital Projects															
Arthur Water Tower	\$ 5,000,000				\$ 5,788,125									\$ 5,788,125	
Arthur Water Supply	\$ 4,500,000			\$ 4,961,250										\$ 4,961,250	
Mount Forest Water Tower	\$ 5,000,000						\$ 6,381,408							\$ 6,381,408	
Mount Forest Wastewater Plant Upgrade	\$ 5,000,000									\$ 7,387,277				\$ 7,387,277	
Arthur Wastewater Plant Upgrade	\$ 12,500,000		\$ 13,125,000											\$ 13,125,000	
Arthur Operations Centre	\$ 5,000,000			\$ 5,512,500										\$ 5,512,500	
Mount Forest Operations Centre	\$ 5,000,000								\$ 7,035,502					\$ 7,035,502	
Mount Forest Fire Hall	\$ 7,500,000				\$ 8,682,188									\$ 8,682,188	
Kenilworth Town Hall	\$ 2,500,000						\$ 3,190,704							\$ 3,190,704	
Mount Forest Outdoor Pool and Aquatics Centre	\$ 5,300,000					\$ 6,442,183								\$ 6,442,183	
Arthur and Area Community Centre	\$ 5,000,000			\$ 5,512,500										\$ 5,512,500	
Mount Forest & District Sports Complex	\$ 2,500,000								\$ 3,517,751					\$ 3,517,751	
Subtotal - Major Capital Projects	\$ 64,800,000	\$ -	\$ 13,125,000	\$ 15,986,250	\$ 14,470,313	\$ 6,442,183	\$ 9,572,112	\$ -	\$ 10,553,253	\$ 7,387,277	\$ -	\$ -	\$ -	\$ 77,536,388	
Total Capital Project Cost		\$ 8,250,000	\$ 21,787,500	\$ 25,081,875	\$ 24,020,719	\$ 16,470,110	\$ 20,101,435	\$ 11,055,789	\$ 22,161,832	\$ 19,576,285	\$ 12,798,458	\$ 13,438,381	\$ 17,703,853	\$ 194,742,382	
Cumulative capital budget		\$ 8,250,000	\$ 30,037,500	\$ 55,119,375	\$ 79,140,094	\$ 95,610,203	\$ 115,711,638	\$ 126,767,427	\$ 148,929,259	\$ 168,505,543	\$ 181,304,001	\$ 194,742,382			

Funding Options	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Average	Total	
OCIF		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	\$ 2,000,000	\$ 22,000,000	
Gas Tax		800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	\$ 800,000	\$ 8,800,000	
Operating budget contribution - tax base		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	\$ 2,000,000	\$ 22,000,000	
Operating budget contribution - user base		1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	\$ 1,300,000	\$ 14,300,000	
Development Charges		2,200,000.00	\$ 2,200,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 809,091	\$ 8,900,000	
Reserve use		1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	\$ 1,500,000	\$ 16,500,000	
Senior govt conditional grant														
Total funding available - estimate		9,800,000.00	9,800,000.00	8,100,000.00	8,100,000.00	8,100,000.00	8,100,000.00	8,100,000.00	8,100,000.00	8,100,000.00	8,100,000.00	8,409,090.91	\$ 92,500,000	
Funding Surplus (deficit)		1,550,000.00	-11,987,500.00	-16,981,875.00	-15,920,718.75	-8,370,109.69	-12,001,434.61	-2,955,789.04	-14,061,831.66	-11,476,284.63	-4,698,457.78	-5,338,380.67	-9,294,761.98	-102,242,381.82
Cumulative surplus (deficit)		1,550,000.00	-10,437,500.00	-27,419,375.00	-43,340,093.75	-51,710,203.44	-63,711,638.05	-66,667,427.08	-80,729,258.74	-92,205,543.37	-96,904,001.15	-102,242,381.82		

- Notes:
1. Focus on capital projects of \$1,000,000 or more.
 2. Full reconstruction includes water, sanitary and road dollars.

	Service area	Department	Project Name	Priority	Growth Related?	New or Carry Forward	Estimated Total Cost including taxes	Carry Forward from 2022 2-00-XX-000-3500	Ask for 2023	Future Ask
1	Environmental Services	Water Wastewater	Water Valve Repair Tool	Medium	N	New	15,000		15,000	
2	Environmental Services	Water Wastewater	Arthur Supply Environmental and Other Assessments	Medium	Y	New	375,000	175,000	200,000	
3	Environmental Services	Water Wastewater	Watermain Valve and Fire Hydrant Replacement	Medium	N	New	150,000		150,000	
4	Environmental Services	Water Wastewater	Water System Physical Security	Medium	N	New	100,000		100,000	
5	Environmental Services	Water Wastewater	Arthur - Water Supply and Tower Land	Medium	Y	New	300,000		300,000	
6	Environmental Services	Water Wastewater	Arthur Wastewater Treatment Plant – Phase 2 Upgrade	Medium	Y	New	12,450,000		12,450,000	
7	Environmental Services	Water Wastewater	Mount Forest - Water Tower	High	N	CF	1,700,600	1,700,600		
8	Environmental Services	Water Wastewater	OCWA Projects (Arthur & Mount Forest)	Medium	N	New	273,000		273,000	
9	Environmental Services	Water Wastewater	Wells St. Extension (Domville to Future St. A) - Water	Low	Y	CF	299,000	299,000		
10	Environmental Services	Water Wastewater	Wells St. Extension (Domville to Future St. A) - Sewer	Low	Y	CF	74,220	74,220		
11	Environmental Services	Water Wastewater	South Water Street - SPS	Low	Y	CF	15,517	15,517		
12	General Government	Admin	Strategic Planning	High	Y	New	40,000		25,000	
13	General Government	Admin	Community Satisfaction Survey	High	Y	New	15,000		15,000	
14	General Government	Admin	Growth Management Strategy Update	High	Y	New	50,000		50,000	
15	General Government	Clerk	Record Management Software	High	N	New	50,000		50,000	
16	General Government	Finance	IT Network Design	High	N	New	50,000		50,000	
17	General Government	Finance	Multi-year Budget Software	High	Y	New	30,000		30,000	
18	General Government	Finance	Asset Management System	High	Y	New	174,781		174,781	
19	General Government	Property	Keyless Entry Control	Low	N	New	12,000		12,000	
20	General Government	Property	Kenilworth Office Parking Lot	Medium	N	New	200,000		-	200,000
21	Health Services	Cemetery	Columbarium Mount Forest Cemetery	Low	Y	New	49,849		49,849	
22	Protection Service	Fire	Arthur Station HVAC Replacement	High	N	New	14,500		14,500	
23	Protection Service	Fire	SCBA Replacement	High	N	New	400,000		400,000	
24	Protection Service	Fire	New Mount Forest Fire Station - Design only	Medium	Y	New	50,000		50,000	
25	Protection Service	Fire	Truck Lighting System - Car 3	High	N	New	10,000		10,000	
26	Protection Service	Fire	WN Fire Service Review	High	Y	New	30,000		30,000	
27	Recreation and Cultural Se	Operations	MF Sports Complex Improvements	Low	N	New	75,000		75,000	
28	Recreation and Cultural Se	Recreation Services	Arthur and Area Community Centre - Roof Replacement	High	N	New	1,000,000		1,000,000	
29	Recreation and Cultural Se	Recreation Services	Lawn Mower for Mount Forest	Medium	N	New	60,000		60,000	
30	Recreation and Cultural Se	Recreation Services	Mount Forest Outdoor Pool and Aquatic Centre	Medium	Y	New	5,278,000		5,278,000	
31	Recreation and Cultural Se	Recreation Services	Ball Diamond Groomer	Medium	N	New	10,000		10,000	

	Service area	Department	Project Name	Priority	Growth Related?	New or Carry Forward	Estimated Total Cost including taxes	Carry Forward from 2022 2-00-XX-000-3500	Ask for 2023	Future Ask
32	Transportation Services	Operations	Development Vehicle	Low	Y	New	40,000		40,000	
33	Transportation Services	Operations	Roads needs study/TMP	Low	Y	New	75,000		75,000	
34	Transportation Services	Roads	Smith Street in Arthur (Connecting Link)	High	N	New	1,174,000		117,400	1,056,600
35	Transportation Services	Roads	Cork Street - Princess to Waterloo Street - Road	High	Y	New	862,000		862,000	
36	Transportation Services	Roads	John Street - Queen to Waterloo Street	Low	N	New	1,517,000			1,517,000
37	Transportation Services	Roads	Main St N - Traffic Signals (Sobey's)	High	Y	New	500,000		500,000	
38	Transportation Services	Roads	Preston Street North	High	Y	New	350,000		350,000	
39	Transportation Services	Roads	Domville Street - Conestoga to Andrew Street	High	N	CF	2,300,000	2,300,000	-	
40	Transportation Services	Roads	Rural Road Rebuild - Sideroad 13 - County Rd 109 to Line 2	Medium	N	New	60,000		60,000	
41	Transportation Services	Roads	Rural Road Rebuild - Sideroad 9W - Concession 7 to 9	Medium	N	New	60,000		60,000	
42	Transportation Services	Roads	Culvert Replacement - Sideroad 9 W	Medium	N	New	220,000		220,000	
43	Transportation Services	Roads	Rural Resurfacing - Sideroad 5W - Landfill Entrance to Conc	Medium	N	New	120,000		120,000	
44	Transportation Services	Roads	Arthur OPC - Land	High	Y	New	500,000		500,000	
45	Transportation Services	Roads	Rural Resurfacing - Line 12 - County Road 14 to 16	Medium	N	New	550,000		550,000	
46	Transportation Services	Roads	Rural Resurfacing - Sideroad 7E - Highway 6 to Concession 1	Medium	N	New	300,000		300,000	
47	Transportation Services	Roads	Sidewalk Replacement - Queen W, Conestoga N, Edward	Medium	N	New	60,000		60,000	
48	Transportation Services	Roads	Sidewalk New - Wellington E, Foster St	Medium	N	New	128,000		128,000	
49	Transportation Services	Roads	Structure 2040 - SR13	Medium	N	CF	220,000	220,000		
50	Transportation Services	Roads	Structure 40 - Line 6	Medium	N	CF	360,000	360,000		
51	Transportation Services	Roads	Urban Paving	Medium	N	New	300,000		300,000	
52	Transportation Services	Roads	Design Projects - Adelaide	Low	N	New	100,000		100,000	
53	Transportation Services	Roads	Design Projects - Fergus St N	Low	N	New	100,000		100,000	
54	Transportation Services	Roads	Equipment - Back-hoe (275)	Medium	N	New	275,000		275,000	
55	Transportation Services	Roads	Equipment - Pick-up (60)	Medium	N	New	60,000		60,000	
56	Transportation Services	Roads	Equipment - Plow (360)	Medium	N	New	360,000		360,000	
57	Transportation Services	Roads	Wells St. Extension (Domville to Future St. A) - Roads	Low	Y	CF	522,000	522,000		
58	Transportation Services	Roads	Develop Master Stormwater Management Plan	High	Y	CF	30,000	30,000		
59	Transportation Services	Roads	Develop Sidewalk Master Plan	High	Y	CF	20,500	20,500		
60	Transportation Services	Roads	Radio unit Replacements	High	N	CF	25,000	25,000		
61	Transportation Services	Roads	Mount Forest Drive/Sobey's (Engineering Only)	High	Y	CF	10,250	10,250		
62	Transportation Services	Roads	Clarke St. (Between Smith and Domville)	High	N	CF	12,073	12,073		

	Service area	Department	Project Name	Priority	Growth Related?	New or Carry Forward	Estimated Total Cost including taxes	Carry Forward from 2022 2-00-XX-000-3500	Ask for 2023	Future Ask
63	Transportation Services	Roads	Fergus St. N (Between Wellington and Birmingham)	High	N	CF	18,000	18,000		
64	Transportation Services	Roads	Fergus St. N (Between Durham and Birmingham)	High	N	CF	18,000	18,000		
65	Transportation Services	Roads	Preston St. N (Between Smith and Domville)	High	Y	CF	46,500	46,500		
66	Transportation Services	Roads	Structure 9 – Sideroad 3E - Bridge	Medium	N	CF	1,230,000	1,230,000		
							35,874,790	7,076,660	26,009,530	2,773,600

Township of Wellington North
Reserves and Reserve Funds Summary (Provisional)
November 30, 2022

Name of Reserve and Reserve Funds	Beginning Balance	Change	Ending Balance
Development Charges	-2,826,745.08	-1,592,978.40	-4,419,723.48
Other Obligatory Reserve Funds	-1,470,456.80	216,267.72	-1,254,189.08
Taxation Reserve Funds	-6,431,682.09	855,350.30	-5,576,331.79
Taxation Reserves	-2,047,566.08	388,044.80	-1,659,521.28
User Fee Reserve Funds	-7,233,669.04	-473,421.93	-7,707,090.97
Grand Total	-20,010,119.09	-606,737.51	-20,616,856.60

Township of Wellington North
Reserves and Reserve Funds Details (Provisional)
November 30, 2022

Name of Reserve and Reserve Funds	Beginning Balance	Change	Ending Balance
Development Charges			
Building By-Law D.C.'s	0.00	121,588.31	121,588.31
Equity - WN Sewer Development Charge	-1,607,102.35	-1,019,245.13	-2,626,347.48
WN admin dev chges - surplus	-10,691.93	-7,846.15	-18,538.08
WN Fire dev chges - surplus	-209,437.69	-17,955.25	-227,392.94
WN indoor rec dev chges - surplus	-203,692.12	-123,086.60	-326,778.72
WN ourdoor rec dev chges - surplus	-31,685.82	-7,240.16	-38,925.98
WN roads dev charges suplus	-339,464.79	-178,467.71	-517,932.50
WW - Development charges	-424,670.38	-360,725.71	-785,396.09
Development Charges Total	-2,826,745.08	-1,592,978.40	-4,419,723.48
Other Obligatory Reserve Funds			
Cash in Lieu of Parkland	-295,596.97	-63,526.63	-359,123.60
Gas Tax reserve fund	-1,174,859.84	279,794.35	-895,065.49
Other Obligatory Reserve Funds Total	-1,470,456.81	216,267.72	-1,254,189.09
Taxation Reserve Funds			
Building Permit Reserve Fund	-364,689.95	-59,038.43	-423,728.38
C&I Land Sales - Equity	-2,128,092.38	-171,047.06	-2,299,139.44
Capital Equipment Reserve Fund	-1,113,538.62	599,417.79	-514,120.83
Capital Infrastructure Reinvestment Reserve Fund	-1,376,451.36	643,208.39	-733,242.97
Fire	-657,474.98	-68,291.55	-725,766.53
Perpetual care Res fd	-62,392.35	-4,649.55	-67,041.90
Streetlights Res Fd - surplus	-191,076.64	-4,022.94	-195,099.58
WNP Deb Repayment Res Fd	-537,965.81	-80,226.35	-618,192.16
Taxation Reserve Funds Total	-6,431,682.09	855,350.30	-5,576,331.79

Taxation Reserves

Reserve for Community Improv. Program	-7,639.74	-5,000.00	-12,639.74
Reserve for Election	-80,000.00	22,500.00	-57,500.00
Reserve for Property Maintenance	-459,926.34	-124,550.00	-584,476.34
Reserve for Working Capital	-1,500,000.00	495,094.80	-1,004,905.20
Taxation Reserves Total	-2,047,566.08	388,044.80	-1,659,521.28

User Fee Reserve Funds

SS - Reserve Fund	-2,274,247.61	-26,441.83	-2,300,689.44
WW Reserve Fund	-4,959,421.43	-446,980.10	-5,406,401.53
User Fee Reserve Funds Total	-7,233,669.04	-473,421.93	-7,707,090.97
Grand Total	-20,010,119.10	-606,737.51	-20,616,856.61



WELLINGTON NORTH

SEMPER PORRO

Staff Report

To: Mayor and Members of Council Meeting of February 21, 2023

From: Brooke Lambert, CAO
Farhad Hossain, Director of Finance
Matthew Aston, Director of Operations

Subject: OPS 2023-008 being a report on the proposed Mount Forest Outdoor Pool and Aquatics Centre

RECOMMENDATION

THAT the Council of the Corporation of the Township of Wellington North receive Report OPS 2023-008 being a report on the proposed Mount Forest Outdoor Pool and Aquatics Centre;

AND FURTHER THAT Council direct staff to bring this project back to Council for consideration and decision as part of the 2023 budget discussion;

AND FURTHER THAT if a “go” decision is made during the 2023 budget discussion, that the primary source of financing for the Mount Forest Outdoor Pool and Aquatics Centre not consist of debt.

PREVIOUS PERTINENT REPORTS/BY-LAWS/RESOLUTIONS

RESOLUTION: 2023-011

THAT the Council of the Corporation of the Township of Wellington North receive for information Report OPS 2023-001 being a report on the proposed work plan for the Mount Forest Outdoor Pool and Aquatics Centre for information;

AND FURTHER THAT Council approve, in principle, the work plan as presented within this report as follows:

Proposed Next Steps:

Winter 2023 Township Council reviews schematic design and probable cost estimate and provides further direction to Township staff

Winter/Spring 2023 Council decision point – “go or no go” (2023 capital budget)

Summer 2023 Architect completes design development and provides probable cost estimate to plus or minus ten percent

Fall 2023 Township Council reviews design development and probable cost estimate and provides further direction to Township staff

Winter 2024 Architect completes detailed design and specification for tendering

Winter 2024 Council decision point – “go or no go” (2024 capital budget)

Spring 2024 Tender

Spring / Summer 2024 construction

Fall 2024 Completion of construction

Summer 2025 New Mount Forest Outdoor Pool and Aquatics Centre open for its inaugural season

BACKGROUND

The Roy Grant Pool in Mount Forest was closed prior to the summer 2022 swimming season as a result of mechanical failures. The facility has long been identified as in need of replacement. The existing facility was built in the 1950s with significant upgrades in the 1960s.

On January 16, 2023, Report OPS 2023-001 outlined the revised schematic design, estimate (approx.. \$5.3 million) and workplan for the key milestones related to the proposed Mount Forest Outdoor Pool and Aquatics Centre. As part of this report, there were several “go/no go” decision points identified to help both staff and Council navigate the process from a decision making, financing, fundraising and capital project planning perspective.

As part of the workplan, it was recommended that the first “go/no go” decision be considered as part of the 2023 Budget process. The purpose of this report is to provide Council with additional information that can assist in several key financial thresholds that are required for future planning. This includes, the amount the township can afford to contribute to the project, the amount the community will be asked to fundraise, and the adoption of a contingent workplan, by which the timing of the project can be managed.

To assist this discussion, staff have prepared three options for consideration:

Funding Options	Option -1	Option -2	Option -3
Fundraising target (Trigger point)	\$250,000	\$1,000,000	\$2,500,000
Taxpayer contribution	5,050,000	4,300,000	2,800,000
Total cost of the pool	5,300,000	5,300,000	5,300,000
Household in the Township	4,795	4,795	4,795
Tax (cost) per household	1,053	897	584
Typical tax bill per household	3,400	3,400	3,400
Taxpayer contribution - 1 Year Plan	1,053	897	584
Taxpayer contribution - 2 Year Plan	527	448	292
Taxpayer contribution - 3 Year Plan	351	299	195
Taxpayer contribution - 4 Year Plan	263	224	146
Taxpayer contribution –	7.74%	6.59%	4.29%

4 Year Plan % of tax levy

1. Township Upset Limit

The Township needs to decide the maximum amount it is willing to contribute to this project. As part of this, Council need to consider the amount it can afford given the number of significant capital projects anticipated over the next 10 years.

A recent review of the Townships 10 year capital needs suggest that the overall budget is approximately \$194 million. At the same time staff have estimated identified funding of just over \$92.5 million. Overall, this leads to an infrastructure funding gap of approximately \$101.5 million over the next 10 years. Major capital projects such as Mount Forest Fire Hall, Arthur and Area Community Centre, and Arthur Wastewater Plant upgrade require significant capital funding.

The Township's ability to use alternative funding, such as debt and senior government grants, is also limited and uncertain. For example, the Township's current debt capacity is \$16.1 million, and its existing debt is \$5.5 million. Hence, Township has an unused debt capacity of \$10.6 million. As a result, choices need to be made on how the Township will use our remaining \$10.6 million debt capacity. Considering other capital projects, staff recommend not using debt as an option for the pool.

If debt is not a feasible solution as a primary funding source, the Township needs to consider that it will raise the funding required for the portion of the cost it will contribute. In 2015, a decision of Council was made to collect a \$250,000 donation for the Louise Marshall Hospital Foundation renovation, which resulted in a \$14.50 annual tax impact to residential properties. Considering the past precedent, the Township may wish to approve a special tax levy based on the parameters established by the options above.

2. Community Fundraising Upset Limit

In addition to choosing the level of contribution that the Township can afford, there is a need to define the target that the community will be asked to fundraise for the project. This has also been a consistent request from the Mount Forest Aquatics Ad Hoc Advisory Committee.

By providing a concrete fundraising goal, this will allow the fundraising efforts, resources required and strategies employed to aligned with the types of funding required. For example, staff do not have sufficient capacity to support a large-scale community fundraising campaign. If this is required, professional fundraising support may be of assistance. Township staff have spoke with professional fundraising firms and the Township could invest in a study to gauge, or determine, local appetite with respect to fundraising for a community outdoor pool. This project result in an estimate of the magnitude of local fundraising capacity from residents. The cost of this assessment would be \$10,000 to \$40,000.

Lastly, government grants may also be a source of potential funding – however obtaining funding through this source is not guaranteed. Part of the efforts of the fundraising committee

could include searching for applicable grants, and making application. Any funding obtained through grants could count towards the community fundraising goal.

3. Approval of a Contingent Workplan

The workplan approved by Council provides a roadmap of the technical steps required to implement a large scale capital project. It assumes all financial considerations and obligations are provided for. Given the nature of the fundraising efforts, staff will look for some financial certainty (both in terms of an approved financial strategy for the Township's contribution and the achievement of the community fundraising goal) before it advances to the stage of going to tender for the project. As a result, both Council and the community will need to understand that the project timeline may be subject to change.

Conclusion

The environment for large scale capital projects in many municipalities continues to become more challenging. Cost inflation, competing capital priorities and increasing pressure on the tax base (matched with reducing capacity to collect development charges) are all considerations. In rural townships, these challenges are magnified. This report outlines some of the decision points that need to be made by Council in order to assist staff with delivering this project.

ATTACHMENTS

Attachment 1 – Staff Presentation

STRATEGIC PLAN 2019 – 2022

Do the report's recommendations align with our Strategic Areas of Focus?

Yes

No

N/A

Which priority does this report support?

Modernization and Efficiency

Partnerships

Municipal Infrastructure

Alignment and Integration

Prepared By:

Matthew Aston, Director of Operations
Farhad Hossain, Director of Finance

Matthew Aston
Farhad Hossain

Recommended By:

Brooke Lambert, Chief Administrative
Officer

Brooke Lambert

FINANCIAL INDICATOR REVIEW

(Based on 2021 Financial Information Return)

Wellington North Tp

Date Prepared:	01-Nov-22	2021 Households:	4,795	Median Household Income:	63,712
MSO Office:	Western	2021 Population:	12,430	Taxable Residential Assessment as a	
Prepared By:	S. Fitzpatrick	2022 MFCI Index:	4.8	% of Total Taxable Assessment:	65.4%
Tier:	LT			Own Purpose Taxation:	8,034,536

SUSTAINABILITY INDICATORS

Indicator	Ranges	Actuals	South - LT - Counties - Rural		Level of Risk	
			Median	Average		
Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied	Low: < 10% Mod: 10% to 15% High: > 15%	2017	8.0%	8.6%	9.8%	LOW
		2018	5.1%	7.6%	8.9%	LOW
		2019	4.7%	7.4%	8.4%	LOW
		2020	4.8%	7.2%	8.5%	LOW
		2021	4.1%	6.3%	7.2%	LOW
Net Financial Assets or Net Debt as % of Own Source Revenues	Low: > -50% Mod: -50% to -100% High: < -100%	2017	138.8%	47.2%	40.1%	LOW
		2018	152.5%	42.7%	41.6%	LOW
		2019	165.2%	45.7%	50.1%	LOW
		2020	149.0%	54.9%	57.4%	LOW
		2021	166.5%	58.3%	60.4%	LOW
Total Reserves and Discretionary Reserve Funds as a % of Municipal Expenses	Low: > 20% Mod: 10% to 20% High: < 10%	2017	108.8%	61.9%	68.6%	LOW
		2018	127.5%	64.0%	71.5%	LOW
		2019	84.0%	73.3%	78.8%	LOW
		2020	99.5%	82.4%	87.4%	LOW
		2021	96.1%	83.8%	90.2%	LOW
Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)	Low: > 0.5:1 Mod: 0.5:1 to 0.25:1 High: < 0.25:1	2017	9.22:1	3.24:1	4.59:1	LOW
		2018	7.77:1	3.44:1	4.76:1	LOW
		2019	7.41:1	4.2:1	5.42:1	LOW
		2020	4.73:1	4.7:1	5.52:1	LOW
		2021	5.85:1	5.42:1	6.19:1	LOW

FLEXIBILITY INDICATORS

Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)	Low: < 5% Mod: 5% to 10% High: >10%	2017	8.2%	2.7%	3.3%	MODERATE
		2018	8.4%	2.5%	3.1%	MODERATE
		2019	6.5%	2.6%	3.1%	MODERATE
		2020	8.0%	2.3%	3.2%	MODERATE
		2021	1.7%	2.2%	3.0%	LOW
Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)	Low: < 50% Mod: 50% to 75% High: > 75%	2017	54.2%	43.8%	45.5%	MODERATE
		2018	54.4%	43.7%	46.0%	MODERATE
		2019	55.5%	43.9%	46.2%	MODERATE
		2020	55.8%	44.8%	46.5%	MODERATE
		2021	54.5%	45.2%	46.9%	MODERATE
Annual Surplus / (Deficit) as a % of Own Source Revenues	Low: > -1% Mod: -1% to -30% High: < -30%	2017	16.0%	11.4%	12.8%	LOW
		2018	26.9%	12.5%	13.9%	LOW
		2019	40.3%	18.7%	23.1%	LOW
		2020	20.6%	17.4%	17.2%	LOW
		2021	30.7%	16.6%	15.9%	LOW

 The data and information contained in this document is for informational purposes only. It is not an opinion about a municipality and is not intended to be used on its own - it should be used in conjunction with other financial information and resources available. It may be used, for example, to support a variety of strategic and policy discussions.

FINANCIAL INDICATOR REVIEW

(Based on 2021 Financial Information Return)

Wellington North Tp

NOTES

Financial Information Returns ("FIRs") are a standard set of year-end reports submitted by municipalities to the Province which capture certain financial information. On an annual basis, Ministry staff prepare certain financial indicators for each municipality, based on the information contained in the FIRs. It is important to remember that these financial indicators provide a snapshot at a particular moment in time and should not be considered in isolation, but supported with other relevant information sources. In keeping with our Financial Information Return review process and follow-up, Ministry staff may routinely contact and discuss this information with municipal officials.

Supplementary Indicators of Sustainability and Flexibility

The following is a summary, adapted from the Chartered Professional Accountants of Canada Statement of Recommended Practice (SORP) 4.

- A government (including a municipality) may choose to report supplementary information on financial condition, to expand on and help explain the government's financial statements.
- Supplementary assessment of a government's financial condition needs to consider the elements of sustainability and flexibility.
- Sustainability in this context may be seen as the degree to which a municipality can maintain its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others without inappropriately increasing the debt or tax burden relative to the economy within which it operates.
- Sustainability is an important element to include in an assessment of financial condition because it may help to describe a government's ability to manage its financial and service commitments and debt burden. It may also help to describe the impact that the level of debt could have on service provision.
- Flexibility is the degree to which a government can change its debt or tax level on the economy within which it operates to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others.
- Flexibility provides insights into how a government manages its finances. Increasing taxation or user fees may reduce a municipality's flexibility to respond when adverse circumstances develop if the municipality approaches the limit that citizens and businesses are willing to bear.
A municipality may temporarily use current borrowing, subject to the requirements set out in the Municipal Act to meet expenses and certain other amounts required in the year, until taxes are collected and other revenues are received. Municipal current borrowing cannot be carried over the long term or converted to long term borrowing except in very limited circumstances.
- For each element of financial condition, the report on indicators of financial condition should include municipality-specific indicators and municipality-related indicators. It may be useful to also include economy-wide information when discussing financial condition.

Additional Notes on what Financial Indicators may indicate:

Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied - Shows how much of the taxes billed are not collected.

Net Financial Assets or Net Debt as % of Own Source Revenues - Indicates how much property tax and user fee revenue is servicing debt.

Reserves and Reserve Funds as a % of Municipal Expenses - Indicates how much money is set aside for future needs and contingencies.

Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities) - Indicates how much cash and liquid investments could be available to cover current obligations.

Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs) - Indicates how much of each dollar raised in revenue is spent on paying down existing debt.

Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio) - Indicates how much of the assets' life expectancy has been consumed.

Annual Surplus / (Deficit) (Less Donated TCAs) as a % of Own Source Revenues - Indicates the municipality's ability to cover its operational costs and have funds available for other purposes (e.g. reserves, debt repayment, etc.)

The Northern and Rural Municipal Fiscal Circumstances Index (MFICI) is used by the Ministry of Finance to calculate the "Northern and Rural Fiscal Circumstances Grant" aimed at northern as well as single and lower-tier rural municipalities. The index measures a municipality's fiscal circumstances. The MFICI is determined by six indicators: Weighted Assessment per Household, Median Household Income, Average Annual Change in Assessment (New Construction), Employment Rate, Ratio of Working Age to Dependent Population, and Per Cent of Population Above Low-Income Threshold. A lower MFICI corresponds to relatively positive fiscal circumstances, whereas a higher MFICI corresponds to more challenging fiscal circumstances. (Note: the MFICI index is only available for northern and rural municipalities)

FINANCIAL INDICATOR REVIEW

(Based on 2021 Financial Information Return)

Wellington North Tp

CALCULATIONS

Total Taxes Rec. less Allowance for Uncollectibles as % of Total Taxes Levied	$SLC\ 70\ 0699\ 01 / (SLC\ 26\ 9199\ 03 - SLC\ 72\ 2899\ 09)$
Net Financial Assets or Net Debt as % of Own Source Revenues	$SLC\ 70\ 9945\ 01 / (SLC\ 10\ 9910\ 01 - SLC\ 10\ 0699\ 01 - SLC\ 10\ 0899\ 01 - SLC\ 10\ 1098\ 01 - SLC\ 10\ 1099\ 01 - SLC\ 10\ 1811\ 01 - SLC\ 10\ 1812\ 01 - SLC\ 10\ 1813\ 01 - SLC\ 10\ 1814\ 01 - SLC\ 10\ 1830\ 01 - SLC\ 10\ 1831\ 01 - SLC\ 12\ 1850\ 04)$
Total Reserves and Reserve Funds as a % of Municipal Expenses	$(SLC\ 60\ 2099\ 02 + SLC\ 60\ 2099\ 03) / (SLC\ 40\ 9910\ 11 - SLC\ 12\ 9910\ 03 - SLC\ 12\ 9910\ 07)$
Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)	$SLC\ 70\ 0299\ 01 / (SLC\ 70\ 2099\ 01 + SLC\ 70\ 2299\ 01)$
Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)	$(SLC\ 74\ 3099\ 01 + SLC\ 74\ 3099\ 02) / (SLC\ 10\ 9910\ 01 - SLC\ 10\ 1831\ 01)$
Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)	$SLC\ 51\ 9910\ 10 / SLC\ 51\ 9910\ 06$
Annual Surplus / (Deficit) (Less Donated TCAs) as a % of Own Source Revenues	$(SLC\ 10\ 2099\ 01 - SLC\ 10\ 1831\ 01) / (SLC\ 10\ 9910\ 01 - SLC\ 10\ 0699\ 01 - SLC\ 10\ 0899\ 01 - SLC\ 10\ 1098\ 01 - SLC\ 10\ 1099\ 01 - SLC\ 10\ 1811\ 01 - SLC\ 10\ 1812\ 01 - SLC\ 10\ 1813\ 01 - SLC\ 10\ 1814\ 01 - SLC\ 10\ 1830\ 01 - SLC\ 10\ 1831\ 01 - SLC\ 12\ 1850\ 04)$



WELLINGTON NORTH

SEMPER PORRO

CAPITAL PROJECT SHEET				
Department:	Operations			
Project Name:	Arthur Wastewater Treatment Plant – Phase 2 Upgrade			
Asset Name:	Arthur Wastewater Treatment Plant	Import ID:		
Project Description	Project will upgrade the plant from being able to handle 1860 cubic metres per day to 2300 cubic meters per day.			
Project Justification	<p>Wastewater treatment can be a significant constraint to growth.</p> <p>Phase 2 ECA, approval from Ministry of Environment, expires in September 2024.</p> <p>Completes work of Environmental Assessment related to the Arthur Wastewater Treatment Plant.</p>			
PROJECT MATRIX				
Criteria	Low	Medium	High	Comments
Safety Issues, Risk Management		X		
Legislative Requirement		X		
Operational Saving, Short Payback		X		
Routine Replacement, Asset beyond lifecycle, Impact of delaying replacement	X			
Growth related			X	
Service enhancements			X	
Total				
CAPITAL PROJECT COSTING AND FUNDING				
Costs	2023	2024	2025	2026
Capital Purchases/Contractor/Material Land Purchase	\$8,300,000 2018 Dollars 12,450,000 2023 Estimate			
Sub-Contractor/Equipment Rental				
Consulting Fees				
Engineering/Survey Fees				
Geo Technical Fees				

Legal Fees				
Contingency				
Total Fees	\$12,450,000			
Funding				
Reserves				
Reserve Funds				
Taxation (Transfers to Capital)				
Gas Tax				
Ontario Community Infrastructure Fund				
Funding Application				
Donation				
User Fees				
Development Charge				
Other:				
Total Funding				
Net Operating Cost				
Estimated Completion Date: December 31, 2025				
Projected New Operating Costs per year:				
Previous Operating Costs:				
Submitted By: __M. Aston_____ Department Head: M. Aston				
Date Prepared: __Nov. 21/22_____ Reviewed by				
Treasurer:_____				

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

BY-LAW NUMBER 017-23

**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 27, 2023**

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 special meeting held on February 27, 2023 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 27TH DAY OF FEBRUARY, 2023.**

ANDREW LENNOX, MAYOR

KARREN WALLACE, CLERK