

2016 Draft Operating and Capital Budget – Information Session

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TOWNSHIP OF WEST LINCOLN

TUESDAY , FEBRUARY 16, 2016

West Lincoln
Your Future Naturally

2016 Draft Operating and Capital Budget Information Report

The following have their revenues netted against their expenditures : Library, Fire, Building, Planning, Recreation, Arena, Water and Wastewater(sewer)

The following are self-funded, where fees must cover expenditures:

Building, Water and Wastewater(sewer)

Fuel & Equipment Costs are allocated to Road Maintenance, Winter Control, Facilities, Arena, Water, Sewers, Recreation and Sidewalks

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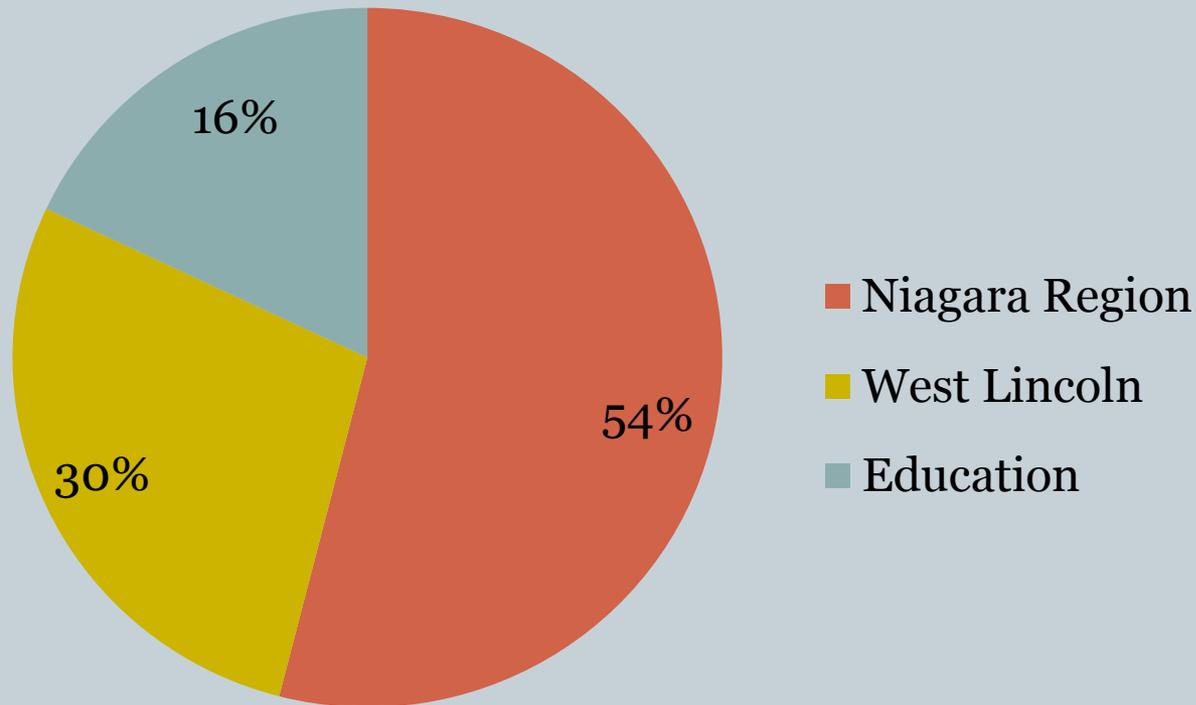
- The Township budget process for 2016 commenced in the fall of 2015, with Department Heads preparing and reviewing their planned budgets
- Numerous meetings are held with the CAO, department head and Treasurer to analyze and review the draft budgets
- Treasury staff work on calculation major expenditure categories that impact all department to ensure consistency and accuracy and include salary, benefits, insurance, utilities, reserve contributions and revenues

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- Tax bill collects for three entities: Niagara Region, West Lincoln (WL) and School Board/Education

Property Tax Distribution



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Average Assessment for Single Family Home:

2015 - \$303,103

2016 - \$309,532

If the Township Tax Levy remained at the 2015 level of \$5,156,650 and your property assessment increased by 2.12% your property taxes in 2016 would actually decrease

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- An expenditure increase of \$51,567 equates to a 1% increase in the total tax levy
- Due to assessment growth, the first \$136,255 of increase to the overall tax levy has no impact to property owners
- After the first \$136,225 increase, every \$10,000 in tax levy increase has a \$2.00 impact on the average property owner

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Overview

- **Complimentary:**

- Increase in OMPF Grant \$80,000
- Assessment Growth \$136,255
- Corporate Insurance Renewal \$75,000

- **Commitments:**

- Utilities \$38,900
- Salaries & Benefits \$137,500
- Additional Crossing Guards \$11,000

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Overview

- **Commitments:**

- Increased Service Level Requirement as a result of assumption of three cemeteries
- New Library Policy – no staff shall work alone

- **Challenges:**

- 2016 Unfunded Capital \$1,257,980

2016 Draft Operating and Capital Budget - Revenue

Budget Summary - 2016

Service Area	2015 Budget	2016 Proposed 2.42% Tax Increase	Difference \$	% Increase / Decrease
<u>General Revenues</u>				
Taxation Revenues	5,362,650	5,635,630	272,980	5.09%
Payment in Lieu of Taxes	353,900	353,900	-	0.00%
Support Grants	741,600	818,200	76,600	10.33%
Grants	5,000	5,000	-	0.00%
Fees, Service Charges, Donations	4,500	7,600	3,100	68.89%
Licenses & Permits	5,700	4,700	(1,000)	-17.54%
Rents & Concessions	61,100	61,700	600	0.98%
Fines	33,500	30,000	(3,500)	-10.45%
Other Revenues	16,500	12,500	(4,000)	-24.24%
Penalties	380,000	380,000	-	0.00%
Income from Investments	170,000	155,000	(15,000)	-8.82%
Prior Year Surplus	217,000	200,000	(17,000)	-7.83%
Transfer from Reserve	48,000	45,000	(3,000)	-6.25%
Total Revenues	7,399,450	7,709,230	309,780	4.19%

2016 Draft Operating and Capital Budget - Expenditure

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Budget Summary - 2016

Service Area	2015 Budget	2016 Proposed 3.25% Tax Increase	Difference \$	% Increase / Decrease
<u>General Expenditures</u>				
Contributions to Reserves	199,000	207,000	8,000	4.02%
Corporate Expenditures	77,500	52,500	(25,000)	-32.26%
<u>Departments</u>				
Library	386,950	417,600	30,650	7.92%
Mayor & Council	172,300	176,900	4,600	2.67%
Corporate Services	1,503,400	1,544,100	40,700	2.71%
Cemetery	59,900	82,300	22,400	37.40%
Fire	980,500	1,026,300	45,800	4.67%
Building/Property Standards & By-law/Septic	87,100	91,700	4,600	5.28%
Planning	168,100	172,700	4,600	2.74%
<u>Public Works</u>				
Recreation/Arena	769,100	783,400	14,300	1.86%
Roads Administration	273,600	269,800	(3,800)	-1.39%
Roads Maintenance	1,741,800	1,775,200	33,400	1.92%
Winter Control	513,500	544,900	31,400	6.11%
Canborough Street Project- Internal Borrowing	91,100	91,100	-	0.00%
Northridge Road Project-Internal Borrowing	56,000	56,000	-	0.00%
2015 Capital Projects - Internal Borrowing	-	65,530	65,530	
Roads Construction	-	-	-	
Bridges	27,500	27,500	-	0.00%
Facilities	52,600	70,900	18,300	34.79%
Street Lights	113,000	127,800	14,800	13.10%
Sidewalks	70,500	71,800	1,300	1.84%
Fuel and Equipment	-	-	-	
Drainage	56,000	54,200	(1,800)	-3.21%
Storm Sewers	-	-	-	
Sanitary Sewers	-	-	-	
Water	-	-	-	
Total Expenditures	7,399,450	7,709,230	309,780	309,780

2016 Ten Year Capital Plan- Expenditure

Expenditure:

Row Labels	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Grand Total
Administration	412,000	215,000	200,500	240,000	155,000	105,000	50,000	35,000	120,000	50,000	40,000	1,622,500
Bridge	1,050,000	335,720	1,158,435	298,600	1,203,400	693,100	1,086,700	261,250	467,000	153,500		6,707,705
Cemetery	6,000										22,000	28,000
Fire	416,900	442,000	542,000	17,000	2,173,000	18,000	18,000	19,000	319,000		1,000,000	4,964,900
Library		916,800	8,000				1,250,000			27,000		2,201,800
Public_Works	17,500		40,000	22,000				572,500				652,000
Recreation	178,500	901,000	151,000	118,900	14,159,000	121,620	182,300	256,800	100,100	1,454,200		17,623,420
Roads	1,561,560	2,208,000	1,712,060	1,792,000	1,243,950	1,432,360	1,697,000	1,407,200	1,188,600	921,500		15,164,230
Sidewalk	180,000	355,000	143,000	340,000	368,000	83,400	187,000	98,000	379,500	188,000	267,800	2,589,700
Storm_Sewer	135,000		40,000	28,000	382,000	20,000	21,000	21,500	22,000			669,500
Wastewater	366,000	1,121,500	735,000	265,000	312,850	74,200	515,000	267,000	988,000	185,000		4,829,550
Water	50,000	81,000	525,000	540,000	125,000	110,000	110,000	182,000	120,000	233,500	75,000	2,151,500
Grand Total	4,373,460	6,576,020	5,254,995	3,661,500	20,122,200	2,657,680	5,117,000	3,120,250	3,704,200	3,212,700	1,404,800	59,204,805

2016 Ten Year Capital Plan-Financing

Financing:

Row Labels	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Grand Total
Development Charges	- 357,920	- 572,995	- 592,553	- 453,450	- 2,917,261	- 108,960	- 566,202	- 315,300	- 554,245	- 53,598		- 6,492,484
In Lieu of Parkland	- 29,500	- 62,000	- 32,160	- 30,000	- 52,000							- 205,660
Gas Tax	- 617,600	- 420,700	- 421,000	- 420,000	- 421,000	- 421,000	- 421,000	- 420,000	- 420,000	- 420,000		- 4,402,300
OCIF Funding	- 64,000	- 64,000										- 128,000
Other Grants	- 50,000											- 50,000
Fire Reserve	- 329,900	- 442,000	- 542,000	- 17,000	- 293,000	- 18,000	- 18,000	- 19,000	- 319,000		-1,000,000	- 2,997,900
Equipment Reserve	- 461,200	- 452,000	- 244,560	- 491,500	- 310,650	- 257,980	- 465,300	- 319,700	- 367,100	- 517,700		- 3,887,690
Sewer Reserve	- 311,000	- 833,500	- 647,250	- 248,350	- 276,850	- 70,000	- 357,950	- 203,250	- 633,400	- 175,750		- 3,757,300
Water Reserve	- 50,000	- 62,400	- 240,000	- 246,000	- 125,000	- 110,000	- 110,000	- 131,750	- 120,000	- 195,000	- 75,000	- 1,465,150
Other Reserves					- 133,900							- 133,900
Unfunded	- 1,257,980	-2,772,925	-2,408,372	-1,676,600	-15,522,539	-1,628,740	-3,166,048	-1,665,250	-1,268,455	-1,784,152	- 307,800	-33,458,861
Operating Fund	- 38,000	- 29,000	- 6,500	- 34,600	- 6,500	- 32,000	- 6,500	- 33,000	- 11,000	- 33,500		- 230,600
Capital Reserve	- 150,000	- 197,000	- 95,600	- 25,000	- 25,000							- 492,600
Library Reserve		- 621,000	- 8,000							- 27,000		- 656,000
Facilities Reserve		- 35,000	- 17,000	- 18,000	- 26,000	- 11,000	- 6,000	- 13,000	- 11,000	- 6,000		- 143,000
Planning Reserve	- 20,000	- 1,000										- 21,000
Recreation Reserve		- 10,500										- 10,500
Cemetery Reserve											- 22,000	- 22,000
Technology Reserve	- 150,000											- 150,000
Sidewalk Reserve				- 1,000	- 12,500							- 13,500
Developer Contribution	- 315,000											- 315,000
Cost Sharing	- 171,360											- 171,360
Grand Total	- 4,373,460	-6,576,020	-5,254,995	-3,661,500	-20,122,200	-2,657,680	-5,117,000	-3,120,250	-3,704,200	-3,212,700	-1,404,800	-59,204,805

2016 Unfunded Capital

Row Labels	2016
Administration	
911 Pers Compliance	- 60,000
CIP Implementation Program	- 25,000
Eagenda Solution	- 20,000
Energy Management Implementation Plan - All Facilities	- 5,000
Property in Tax Arrears	- 20,000
Upgrades to audio visual in Council Chambers	- 50,000
Bridge	
Various Bridges – Guard Rails	- 92,400
Fire	
Caistor Fire Hall _ Additional Bathroom with Showers	- 60,000
Public_Works	
PW Ops Centre - replace windows	- 4,000
Restore town clock at Murgatroyd park	- 3,500
Tube heaters add to cold bay	- 10,000
Recreation	
Entrance gates for existing trails	- 13,000
Roads	
Abingdon Road : Pulverize & DST - From: Concession 3 Road To: Concession 2 Road	- 218,880
Railway Crossing Assessment Study	- 60,000
Westbrook Road-shared road with City of Hamilton : Pulverize & DST - From: Concession 2 Road To: Concession 1 Road	- 100,000
Westbrook Road-shared road with City of Hamilton : Pulverize & DST - From: Concession 3 Road To: Concession 2 Road	- 85,000
Young Street : Pulverize & DST - From: Regional Road 12 (Grimsby Rd) To: South Grimsby Road 10	- 110,400
Young Street : Pulverize & DST - From: South Grimsby Road 10 To: Grassie Road	- 220,800
Urban Design Implementation_Public Realm Improvements	- 100,000
Grand Total	- 1,257,980

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Addressing \$1,257,980 of 2016 Unfunded Capital

Issue a Debenture to Finance Portion of Bridge 12

This would free up \$580,000 of Gas Tax Funds that can be allocated to other Capital Works. Current debenture rate is 3.15% based on a 20 year serial debenture. First annual repayment is approximately \$47,100.

Refrain from Internal Borrowing Repayment

This would free up an additional \$231,230 that could be reallocated to the unfunded Capital.

Use of Prior Year Surplus

An additional \$389,000 of prior year surplus funds are available to finance the unfunded Capital projects.

Debt Issue to Complete Bridge 12

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The following chart represents the annual payments for the next five years if a **\$580,000** serial debenture were to be issued through Infrastructure Ontario at the posted rate of **3.15%** for twenty years .

Year	2017	2018	2019	2020	2021
Annual Repayment	\$47,042	\$46,081	\$45,171	\$44,344	\$43,392

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	2.42% Tax Increase	5.00% Tax Increase
Overall Tax Revenue	\$5,138,650	\$5,258,650
<i>% change in Tax Levy</i>	2.42%	5%
annual \$ increase on avg. home	\$25	\$51
Contribution to Capital	\$77,500	\$127,500
<i>% addition to Levy</i>	1.5%	2.47%
Contribution to Winter Control	\$52,000	\$52,000
<i>% addition to Levy</i>	1%	1%
Contribution to Contingency	\$77,500	\$77,500
<i>% addition to Levy</i>	1.5%	1.5%
Contribution to Industrial Park Reserve	0	\$84,200
<i>% addition to Levy</i>	0	1.63%

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NEXT STEPS

- Wednesday, February 24th, Budget Open House, 6:30 pm
- Monday, March 21th – Budget Public Meeting ,6:30pm
- Tuesday, March 22nd – Budget Public Meeting (if necessary), 6:30pm