



# 2024 Budget – Public Meeting

Township of Douro-Dummer

November 21, 2023



# Presentation Overview

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Today we will discuss:

- The current and projected economic conditions
- The budget process, where we are and next steps
- The current impact to the levy as of first draft
- What is changing in the Operating Budget
- The status of the Joint Public Works and Fire Hall Building
- The planned 2024 Capital Projects

Then we will open the floor to any comments or questions from the public.

# 2024 Budget Background

## **2023 in Review**


- 2023 has represented a return to normalcy and our first full year without any shutdowns due to Covid.
- However, the impacts that Covid had on supply chains still exists in the form of high costs and continued inflation. The most recent Consumer Price Index (CPI) released as of this budget document was September which showed a 3.8% year over year change.
- To combat inflation the Bank of Canada has increased interest rates 4.75% since the beginning of 2022 from 0.25% to 5%.

## **Looking forward to 2024**

- 2024 will see some major plans and studies completed which will set the course for the Township for the next 10-15 years. The Strategic Plan, Fire Master Plan, Development Charge Study and Asset Management Plan; all of which will inform future decisions.
- The Joint Public Works and Fire Hall building is scheduled to move ahead as approved in the 2023 Budget. In order to fund the annual debenture payments an additional 3.6% is being added to the budget.
- The budget was created by staff to represent status quo and was presented to Council at 3.8% which represents
- Any increase less than inflation would result in decreased levels of service or insufficient capital spending.

# Budget Process

## Meeting Schedule:

- 1st Draft Presentations - October 31st and November 1st
- Budget Working Session – November 14th
- Public Meeting – November 21st 
- Council Budget Deliberation – December 5th
- Budget Passage – December 19th

## Next Steps:

- Update as information changes. A budget is always based on the information that we have today and includes assumptions. The information that certain assumptions are based on will change and staff will update the budget accordingly before passage.
- Complete and present the Community Grant Policy
- Continue work on Asset Management Plan and Reserve Policy



# Impact to the Levy

The Operating Budget impacts the levy by 2.5% and the Capital Budget by –0.3%. Assessment increased by 0.8% in 2023 which means the change to the net levy before the capital levy is 1.5%. A Capital Levy is being added to be able to fund the debenture payments related to the Joint Building, this adds \$376,025 or 5.9% for a total tax increase of 7.4%. This increase in the levy results in an extra \$32.15 annually, or \$2.68 per month per \$100,000 of Assessment; for the median property of \$256,000 there would be an increase of \$82.31 annually and \$6.86 monthly.

## Summary of Change to the 2024 Levy

	2023	2024	\$ Change	% Change	Tax Impact
Operating Expenses	\$4,992,370	\$5,142,733	\$150,363		2.4%
Transfer to Capital	-\$22,260	-\$10,800	\$11,460		0.2%
Net Operating Levy	\$4,970,110	\$5,131,933	\$161,823	3.3%	2.5%
Capital	\$1,255,812	\$1,238,329	-\$17,482	-1.4%	-0.3%
Less: Assessment Growth in 2023					-0.8%
<b>Percent Change to the Tax Rate before Capital Levy:</b>					<b>1.5%</b>
Capital Levy For Joint Building	\$138,512	\$514,537	\$376,025		5.9%
Total Levy Requirement	\$6,364,433	\$6,884,799	\$520,366	8.2%	
<b>Percent Change to the Tax Rate as at 1st Draft:</b>					<b>7.4%</b>

	2023	2024	Annual Change	Monthly Change
Residential Impact Per \$100,000 of Assessment	\$435.87	\$468.02	\$32.15	\$2.68
Impact on Median Property of \$256,000	\$1,115.83	\$1,198.14	\$82.31	\$6.86

# Summary of Key Operating Changes

		Impact on Levy	
Inflationary Pressures		\$	%
Salary and Wage Cost of Living Adjustment	As part of the employee Compensation Agreement Council approves a salary grid increase as per the annual OMERS pension inflation index. OMERS uses the average of the CPI for the 12-month period ending in October and compares it to the average for the same period the previous year. If the CPI increase is greater than 6%, the inflation adjustment is 6% and the increase in CPI over 6% is carried forward for application in a future year when the CPI increase is less than 6%. The OMERS increase in 2023 was 6.51% which means 0.51% was carried forward. CPI from September to September was 3.8% and therefore the annual adjustment is projected to be 4.31%.	\$116,856	1.8%
Insurance	All across the country municipalities are continuing to see large increases in general liability insurance costs. The total amount of insurance paid for by the Township in 2023 will be \$218,460; this represents a \$31,017 increase, or 16.5%, from the previous budget.	\$31,017	0.5%
Fuel Costs	In the 2023 budget we increased the budget to reflect increased costs but further increases are needed.	\$21,596	0.3%
Interest Earned	The higher interest rates are responsible for increased costs but the Township does see an increase in interest earned from the higher rates.	-\$67,000	-1.1%

# Summary of Key Operating Changes

		Impact on Levy	
Departmental Adjustments		\$	%
By-law Enforcement	Up until now we have not seperated costs associated with By-law Enforcement and the Building Department. We are mandated to run the Building Department as it's own entity and therefore should not include costs that are not related to the enforcement of the building code. Over the past few years there has been increasing demands from by-law enforcement and therefore we have allocated 20% of the Chief Building Official and 10% of the Building and Planning Admin to By-law Enforcement.	\$31,221	0.5%
Police Services	The annual OPP cost increased \$11,212, or 1.2%. We have also budgeted an extea \$14,500 for costs related to the new Police Services Board.	\$25,712	0.4%
Other operating adjustments	These reflect the adjustments that staff make to various line items to reflect recent spending and current needs. Details can be found in each department's budget detail.	\$48,301	0.8%
Reserve Transfers			
Reserves	The decrease in reserve transfers is related to transfers to reserves for the licensing and purchase of a gravel pit. These transfers are calculated based on the tonnes of gravel that are being used in the capital budget. The 2024 budget is forecasted to have less than 2023.	-\$45,880	-0.7%
<b>Total Operating Impact</b>		<b>\$161,823</b>	<b>2.5%</b>

# Joint Public Works and Fire Hall Building

- Council adopted the following financing strategy for the Joint Building in the 2023 Budget:

Year	Reserves	Levy	Debt Payment	% Increase
2022		\$ 67,872		1.18%
2023		\$ 138,512		1.18%
2024	\$ 550,000.00	\$ 364,537	\$ 914,537.36	3.78%
2025	\$325,000.00	\$ 589,537	\$ 914,537.36	3.76%
2026	\$125,000.00	\$ 789,537	\$ 914,537.36	3.34%

- Council has deferred the Indacom Slope Stability Works which was budgeted for \$200,000 and decided to increase the Joint Building Levy for 2024 from \$364,357 by \$150,000 to \$514,537.
- Construction has been delayed due to environmental factors at the site and we expect tendering and site preparation and to commence in 2024.
- Once tendering has been completed, we will be able to able to finalize the financing strategy. It is the hope that interest rates will begin to decrease commencing in 2024 and therefore we may look at strategies using construction loans to delay locking into higher rates.
- The above strategy is using a rate of 4.40% and the current rate is 5.39%.
- The delay does provide the opportunity to continue to contribute to reserves which will provide the Township greater flexibility in our strategy going forward.



# Corporate Capital Projects

## **1. IT Hardware Replacements - \$20,000**

- The IT Hardware replacements is a strategic initiative aimed at ensuring the continued efficiency, security and reliability of our IT infrastructure.
- This project encompasses the replacement of critical hardware components, including servers, laptops and other IT hardware needs.
- It is planned for this project to be an annual amount. Some years the Township will have fewer needs and in those years the surplus will be transferred to a reserve for years where needs may be greater than \$20,000.

## **2. Office Chairs Replacement - \$7,000**

- The existing office chairs have surpassed their life expectancy and are showing signs of significant wear and tear.
- Chairs are also critical to the long-term health safety of staff by ensuring proper support and posture.

## **3. Storage Room Exterior Door Replacement - \$5,000**

- The current storage room exterior door is showing signs of wear, compromising the safety and integrity of stored items. The plan is to replace the existing door with a more robust and secure solution.

## **4. Tree Replacement Program - \$10,000**

- It is being proposed to allocated \$10,000 again for Tree Replacement program. This program was well received by the residents and will continue to help replace the trees lost during the 2022 Derecho Storm.

# Library Services Capital Projects

## 1. **Books and Material** - \$14,000

- New books for library collection
- Standard practice for library collections management

## 2. **Flooring** - \$8,000

- Flooring replacement for the entrance, kitchen, public washroom, fiction and non-fiction sections.
- Since the renovation of the non-fiction section, tears and stains have been exposed, and the flooring in other areas are showing signs of wear.

## 3. **Signage** - \$2,500

- New channel letter signage for the library building.
- The library building currently has the old channel letter signage with the Township's name. The new channel letter signage would say Douro-Dummer Public Library.

# Public Works Capital Projects

## Roads

### **1. Brushing Unit - \$175,000 (\$92,500 from reserves and \$82,500 from levy)**

- Purchase of a new brushing unit to manage the ongoing roadside brushing.
- Continuous brushing accounts for increased safety, useful life of the road, reduced use for gravel and resurfacing.
- \$92,500 was contributed to reserves in 2022 for the unit and therefore tax impact is \$82,500.

### **2. Re-alignment Engineer Fees (12th Line Dummer) - \$20,000**

- The project aims to enhance road safety and rectify road alignment.
- Previous agreement with Drain Brothers to realign the roadway by removing the unsafe hill and sharp 'S' bend.

### **3. Truck Replacement - \$360,000**

- Replacement of the 2010 Plow Truck.
- This truck upon replacement will transition into a spare vehicle with the Public Works Fleet. The current spare truck will be designated as surplus and subsequently liquidated.

# Public Works Capital Projects

<b>Gravel</b>	
4th Line Road South Dummer from Cty Rd 8 to Dummer Asphodel	\$42,726.50
7th Line North Dummer from Center Dummer Rd to North Limit	\$91,019.00
Clifford Road from Fourth Line Rd South Dummer to Third Line Rd South Dummer	\$13,764.00
Douro 2nd Line Road from Cedar Cross Road to County Road 4	\$19,369.50
Douro 4th Line Road from County Road 4 to North Limit	\$19,980.00
Douro 5th Line Road from Centre Road to North Limit	\$11,480.50
Douro 9th Line from County Road 32 to County Road 4	\$43,734.00
English Line Road from Cty Rd 6 to North limit	\$8,658.00
Fifth Line Road North Dummer from Cty Rd 6 to North limit	\$6,996.80
Henderson Road from Campline Road to West Limit	\$12,070.50
Hickey Rd 2kms South of Cty Rd 32 - Patch Barrl, install guidrail posts and end treatments	\$140,000.00
Kerr Road from County Road 8 to South Limit	\$888.00
Old Douro Road from Highway 28 to County Road 8	\$8,659.00
Sixth Line Road North Dummer from Cty Rd 6 to South limit	\$5,799.20
Third Line Road North Dummer from Cty Rd 6 to North limit	\$4,184.20
<b>Gravel Total</b>	<b>\$429,329.20</b>
<b>Surface Treatment</b>	
4th line Rd North Dummer from Sawmill to County Rd 6	\$313,128.50
Ayotte Crescent from Douro 8th Line to easterly limit	\$30,000.00
Birchview Road from Campline Road to McCrackens Landing Rd	\$167,000.00
Birchview Road from Hwy 28 to Camp Line Road	\$203,000.00
Douro 9th Line from Cty Rd 4 to Division Rd	\$36,000.00
Dummer Asphodel Road - 1/2 cost Asphodel Norwood project	\$140,000.00
Golf Course Road from McCrackens to Barnes Ave	\$66,000.00
South Bay Road from Cty Rd 6 to North limit	\$33,000.00
<b>Surface Treatment Total</b>	<b>\$988,128.50</b>
<b>Grand Total</b>	<b>\$1,417,457.70</b>

# Fire and Emergency Services Capital Projects

## **1. Station 2 Parking Lot Resurfacing - Paving - \$20,000**

- Second phase of the project to improve the parking facilities around Fire Station 2.
- This project involves grading and resurfacing the existing parking lot to address standing water issues that have been affecting the area's functionality.
- This project also includes the creation of firefighter parking spaces that are accessible and compliant.

## **2. Station 1 Building Review and Drawings - \$10,000**

- To review the requirements of fire station 1 and explore viable options for its future functionality.
- This project aims to allocate funds to the development of building plans and ensuring a strategic approach to meet the evolving needs of the Department.

## **3. Bunker Gears - \$6,000**

- Two sets of gear at approx. \$3,000 each.
- Ongoing gear replacement/sizing

## **4. Capital Reserve Contribution - \$50,000**

- This reserve contribution will go towards future bunker gear and Fire Apparatus replacements.



# Fire and Emergency Services Capital Projects Continued

## **4. Thermal Imaging - \$9,000**

- 2-year project aimed at replacing two existing thermal imaging cameras that has exceeded their life expectancy and lost manufacturer support.
- The project also involves procuring two additional thermal imaging cameras to ensure that each fire station has access to one.

## **5. Trailered Boat - \$24,000**

- Replacement of current steel boat on trailer with a more suitable and modern vessel.
- The new boat is intended to serve as a dedicated asset, tailored to the specific needs with rescue and fire protection.

# Parks and Recreation Capital Projects

## Parks

### **1. Water Storage Tank and UV Water Treatment - \$13,500**

- Addition of water storage for the South Park building and provide water treatment required by the Health Canada.
- The new drilled well ran out of water with the Douro Doings event.

### **2. Ball Diamond Player Benches - \$12,000**

- Replace all existing old wooden benches with aluminum benches.
- Legion diamond has benches one side rotten and unsafe. North and South Park benches are starting to heave out of the ground with some wood starting to rot.

### **3. Legion Ball Diamond Regrading - \$20,000**

- Regrade the outfield to level out the uneven areas thereby addressing the safety concerns.
- The infield also requires top up of material.

# Parks and Recreation Capital Projects

## Douro Community Centre

### 1. **Compressor Overhauls** - \$9,000

- The 30 and 50 Hp compressors requiring regular maintenance based on hours of use.

### 2. **Harvest Room Windows Replacement** - \$3,500

- Replacement/Repair of leaking windows.
- Window seals and gaskets are worn out, allowing water to seep into the interior drywall.

### 3. **Energy Audit** - \$8,000 (\$40,000 total costs, \$32,000 paid for by a grant)

- The Net Zero Energy Feasibility Study is a required step in being successful for grant opportunities.
- This project is estimated at \$40,000 for each community centre with \$32,000 being funded from a grant.

### • **Hockey Nets** - \$2,500

- Replace old practice nets that are showing signs of wear and tear.

# Parks and Recreation Capital Projects Continued

## **Warsaw Community Centre**

### **1. Roof Repair - \$15,000**

- Repair leaking roof in multiple areas.

### **2. Compressor Replacement - \$40,000**

- The current 30hp Compressor is well past life expectancy.
- \$20,000 was put into reserves in 2023, therefore the net impact is \$20,000.

### **3. Hockey Nets - \$2,500**

- Replace old practice nets that are showing signs of wear and tear.

### **4. Energy Audit - \$8,000 (\$40,000 total costs, \$32,000 paid for by a grant)**

- The Net Zero Energy Feasibility Study is a required step in being successful for grant opportunities.

# Planning & Development Capital Projects

## Planning & Development

### 1. Zoning By-Law Update - \$40,000

- This project will be a comprehensive review and update of the Township's Zoning By-law.
- It is legislated that the Zoning By-law must be updated within three years after the new Official Plan comes into effect.
- The total cost is not yet known but similar projects for nearby municipalities have costed upwards of \$180,000. The Township has put \$60k into reserve over the past two years; \$40k in 2022 and \$20k in 2023. This 2024 contribution would provide for a total of \$100k. It is anticipated that we will tender for this project in the fall at which time we would know the final cost and will need to budget for any funding shortfalls in the 2025 budget.



# Building & By-law Enforcement Capital Projects

## Building & By-law Enforcement

### 1. Truck Purchase - \$55,000

- Addition of a second truck to the Building Department.
- This project will enable multiple staff members to conduct field inspections at the same time thereby enhancing departmental response time and elevate the overall standard of customer service to a greater level.

### 2. Transfer to Reserve for Truck Replacement - \$11,250

- Contribution to reserve for future truck replacement. This is in consideration of 2 trucks, with replacement for one scheduled every four years given its 8-year lifecycle.

### 3. Boat - \$5,000

- The Building department is going to be purchasing the Fire Department's existing boat to be able to service island properties.