



The Municipality of North Perth

2014 Capital and Operating Budget

FINAL REPORT

Presented By: Councillor Paul Horn
Budget Chair

Dated: March 17th, 2014

Municipality of North Perth

2014 Budget

Project & Operating

Table of Contents

Page #

1.	Budget Chair's Review	2
2.	Combined Project Budget Summary	5
3.	Combined Operating Budget	6
4.	2014 Tax Levy & Tax Rate Schedule	7

Municipality of North Perth

2014 Budget Presentation to Council

On behalf of Council, I am respectfully presenting the 2014 Budget recommendation for Council approval. Through the 2014 Budget Process, members of Council and staff have worked to find a balanced position between the need to support important municipal services while limiting tax increases. Council added a visioning session to the 2014 budget process to provide Council with the opportunity to have a frank conversation about the services and the delivery of the said services. As part of this conversation, direction was given to staff to further investigate some of the issues raised by members of Council.

Operating Budget

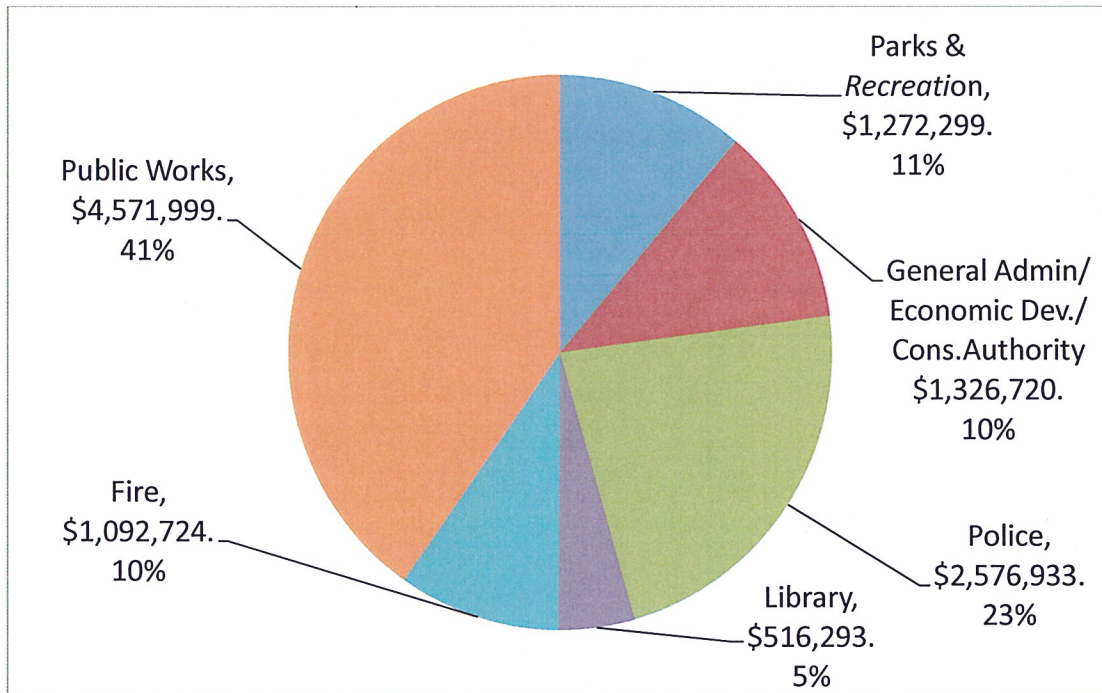
Early in the budgeting process, the Province announced a further reduction in North Perth's 2014 transfer of \$307,300 which is in addition to the 2013 reduction of \$175,300 from the Ontario Municipal Partnership Fund (OMPF). As well, the province is no longer reconciling prior year OMPF funding which we estimate would have been a further \$150,000 with regard to police services funding. The reduced 2014 transfer in revenue translates into a 5.4% tax levy increase for North Perth. This change imposed a serious constraint on the whole budget process as various other factors including general inflation, high energy costs, low investment returns and additional legislative requirements continue to place cost pressure on North Perth's operations.

Police Services contract increases continue to significantly affect the annual budget with an 8.2% increase for 2014 which translates into a 2.6% tax levy increase for North Perth before applying reserve revenues to offset the tax impact.

The combined changes, OMPF funding reductions and the Police Services cost increase, represent an 8% tax levy impact outside of Council or staff control. With this imposition in mind, Council directed staff to look for ways to amend or reduce services for cost cutting initiatives to ease the tax burden on property owners and to provide operating efficiencies. Council then reviewed staff recommendations for operational streamlining and staff restructuring to continue to improve municipal service and reduce costs in various departments. Some amendments were incorporated into the 2014 budget and others were tabled for further information and future Council consideration. This will be an ongoing process as further provincial OMPF revenue cuts are anticipated for the next few years. I would encourage Council to continue the visioning sessions as part of the budgeting process to engage all members of Council, committee, staff and the public to explore new cost saving methods to deliver the services we provide.

The following chart illustrates the allocation of North Perth tax dollars:

2014 Net Operating Budget



Project Budget

Despite the general environment of constraint, the 2014 Budget includes initiatives that look to the long term viability of North Perth. We are anticipating low construction costs and financing rates to move forward with a significant number of projects in 2014 including:

- New Day Care Centre in conjunction with the new elementary school
- Intersection improvements for Main Street/Hwy #23/County Line 86
- Extension of Binning Street West with municipal services and utilities
- Snow Plow replacement – Wallace tandem
- Environmental Assessment for the Waste Water Treatment Plant is ongoing
- Atwood Ice Surface /Wallace Community Centre upgrades

The largest project, the new North Perth Day Care Centre as part of the new elementary school build, is a key economic development driver for our community and a wonderful opportunity to meet the current needs of our young families. The Binning Street extension and the intersection upgrades are both needed to enable the development of the new school and recreation centre in 2015 as well as other development to the northwest. These three 2014 projects are appreciably being funded by Development Charges revenues, the sale of the lands, generous corporate and personal donations and hopefully some provincial/federal grant funding. Interim financing may be required while the related projects are in the construction phase.

The municipality continues to apply for any available Federal and/or Provincial funding to undertake significant construction projects. Within the 2014 Budget, North Perth has been

approved for financial assistance for the new North Perth Day Care Centre and is making an application for the Wallace Community Centre kitchen upgrades. The municipality has received significant funding from local service club and community minded donations. A number of smaller projects are also planned with an overall project spending estimated of \$7.9 million for 2014. This work is funded by reserves, community fundraising and the sale of industrial lands.

Maintaining and improving North Perth's municipal infrastructure will continue to require significant and planned investment. During 2013, Council and staff started working on and will continue in 2014 to develop a long-term financial plan for North Perth operations and projects that will ensure sustainable municipal services.

Impact on Property Taxes

North Perth continues to prosper, generating net growth in property assessment over the past year, despite the economic downturn. The North Perth Building Department issued 326 permits in 2013 of which 74 were for new residential dwellings. This increased tax base allows the costs related to this growth to be applied across a greater number of properties.

All properties in Ontario were reassessed for 2013 based on January 2012 values. Any decreases in property values resulting from this reassessment were applied in 2013; however, property assessment increases will be phased-in over the subsequent four years thereby staggering the increased tax impact. The assessment phase-in over the four years results in reduced but ongoing property tax impacts. An individual's property tax impact will vary depending on whether their property assessment was higher or lower than the overall assessment increase.

The North Perth 2014 tax levy increase of \$794,267.28 results in a 9.4% levy increase for local purposes. However, your total property tax billing reflects taxes levied by the Municipality of North Perth, the County of Perth and local school boards. When the three 2014 levy requisitions are combined, the overall levy increase on North Perth ratepayers will be, on average, about a 6.7% increase. Your actual % will depend on assessment changes and relative tax classes.

On behalf of Councillor Doug Kellum, Vice-Chair, and myself, I thank members of Council and our staff for working through the challenges we faced during our 2014 budget deliberations. This budget addresses head on the provincial revenue cuts from OMPF cuts, the Police Services cost increases and the ongoing need to maintain appropriate service levels for the municipal services that are required by our community.

Council will be closely monitoring the 2014 financial statements to ensure that the Municipality is sustaining the desired levels of services while moving forward with current development to ensure growth and prosperity during 2014.

Yours sincerely,
Councillor Paul Horn
Chair

Municipality of North Perth - 2014 Combined Project Budget

	New 2014 Projects	2014	2015	Grant/Sales/Dev.Chgs.	Service Clubs/Other	Segregat.Surplus	Annual Dep.
Administration	EA - Hwy. 23 - Binning St. Extension-Roads	\$ 1,513,346.00	\$ 294,897.00	\$ 1,513,346.00			\$ 27,876.90
	EA - Hwy. 23 - Binning St. Extension-Water/Sewer	\$ 536,600.00	\$ 211,036.00	\$ 536,600.00			\$ 7,155.00
	Hoover Industrial Park- Roads	\$ 164,450.00	\$ 24,000.00	\$ 164,450.00			\$ 1,000.00
	Hoover Industrial Park- Water/Sewer	\$ 115,250.00	\$ 3,500.00	\$ 115,250.00			\$ 1,540.00
	Administration Building-Parking Lot Lighting	\$ 4,000.00				\$ 4,000.00	
Clerk	eScribe iPad/Vote Manage Module	\$ 7,750.00				\$ 7,750.00	
Clerk/Day Care	Day Care H & S Funding	\$ 12,210.00	\$ -	\$ 12,210.00			
	New North Perth Cay Care Centre	\$ 2,127,775.00	\$ 53,204.00	\$ 2,127,775.00			
Finance	Asset Manage. Plan/Dev.Chgs.Background Study	\$ 27,500.00	\$ 55,000.00	\$ 27,500.00		\$ -	
	Bids & Tenders Software(Carry-over)	\$ 12,500.00				\$ 12,500.00	\$ -
	Payroll Solution	\$ 32,500.00				\$ 32,500.00	\$ -
	Information Technology Corp. Infrastructure Update	\$ 72,500.00	\$ 75,000.00			\$ 72,500.00	
Administration Total		\$ 4,626,381.00	\$ 716,637.00	\$ 4,497,131.00		\$ 129,250.00	\$ 37,571.90
Library	Lighting Upgrades	\$ 5,900.00		1,156.00		\$ 4,744.00	
	Listowel-Flooring(carry-over)	\$ 17,000.00				\$ 17,000.00	\$ 3,200.00
	Children's/Teen Area Revitalization(carry-over)	\$ 5,000.00				\$ 5,000.00	
	Atwood-Sewer Hook-up(carry-over)	\$ 10,000.00				\$ 10,000.00	\$ 1,000.00
	Conversion to Municipal Tech Support(carry-over)	\$ 16,000.00				\$ 16,000.00	
Library - Total		\$ 53,900.00	\$ -	1,156.00		\$ 52,744.00	\$ 4,200.00
Fire	Atwood Station-Ren.-Office, Elect.Room & Service	21,000.00				21,000.00	\$ 1,050.00
	Monkton Station -Heating & Zoning System	7,200.00				7,200.00	
	Monkton Station-Replacement of Monkton Station	575,000.00		75,000.00		500,000.00	\$ 11,500.00
Fire-Total		\$ 603,200.00	\$ -	\$ 75,000.00		\$ 528,200.00	\$ 12,550.00
Cemetery	Fairview - Stage 2 Columbarium	\$ 90,400.00				\$ 90,400.00	
	New Cemetery Planning	\$ 53,100.00				\$ 53,100.00	
Cemetery-Total		\$ 143,500.00	\$ -			\$ 143,500.00	\$ -
Water/Sewer	Water/Sewer - Davidson Ave. S.	\$ 259,450.00	11,100.00			\$ 259,450.00	\$ 3,461.00
	Water/Sewer -Tremaine Ave. S.	\$ 111,000.00				\$ 111,000.00	\$ 1,450.00
	Listowel Water Distribution Model	\$ 60,000.00				\$ 60,000.00	
WWTP	WWTP-Environmental Assessment(carry-over)	\$ 150,000.00				\$ 150,000.00	
	Septic Receiving Station - Auger replacement	\$ 30,000.00				\$ 30,000.00	\$ 3,750.00
Water/Sewer - Total		\$ 610,450.00	\$ 11,100.00			610,450.00	\$ 8,661.00
Public Wk.Roads	Walton Ave. N.	\$ 45,000.00				\$ 45,000.00	\$ 2,250.00
	Davidson Ave. S.(carry-over)	\$ 392,450.00	\$ 33,500.00			\$ 392,450.00	\$ 1,220.00
	Argyle Ave. N.(carry-over)	\$ 52,200.00				\$ 52,200.00	\$ 2,610.00
	Bridge Inspection Summary 1-5 yr. repairs		\$ 1,159,600.00				
	Streetlights - LED	\$ 455,474.00		\$ 10,238.00		\$ 445,236.00	\$ 26,800.00
	G.I.S.	\$ 40,000.00		\$ 40,000.00			
	Equipment Replacement	\$ 290,000.00				\$ 290,000.00	\$ 21,626.00
Public Works - Total		\$ 1,275,124.00	\$ 1,193,100.00	\$ 50,238.00		\$ 1,224,886.00	\$ 54,506.00
Recreation	EMCC Refurbishment Planning	\$ 5,000.00	unknown			\$ 5,000.00	\$ -
	Elma-Logan Rec. Complex Projects	\$ 14,000.00			\$ 5,320.00	\$ 8,680.00	\$ 700.00
	Elma-Logan Rec. Complex Paving	\$ 45,000.00			\$ 17,100.00	\$ 27,900.00	\$ 2,250.00
	Elma-Logan Rec. Complex Generator Connections	\$ 20,000.00			\$ 7,600.00	\$ 12,400.00	
	Listowel Kinsmen Pool Siding	\$ 15,000.00				\$ 15,000.00	\$ 750.00
	Memorial Park Barrier Fence	\$ 11,000.00				\$ 11,000.00	\$ 450.00
	Livingstone Park Walkway	\$ 5,200.00			\$ 3,000.00	\$ 2,200.00	\$ 200.00
	Front Mount Tractor	\$ 22,000.00				\$ 22,000.00	\$ 2,200.00
	Wallace Community Centre Kitchen Refurbishment	\$ 50,000.00		\$ 45,000.00		\$ 5,000.00	\$ 2,500.00
	Wallace Community Centre Interior Paint	\$ 9,500.00				\$ 9,500.00	
	Wallace Community Centre Parking Lot Lighting	\$ 3,500.00				\$ 3,500.00	\$ 175.00
	Other Funded Projects:	\$ 365,000.00			\$ 365,000.00		\$ 8,875.00
	2013 Carry Over Projects	\$ 117,400.00				\$ 117,400.00	\$ 1,600.00
	Recreation - Total		\$ 682,600.00		\$ 45,000.00	\$ 398,020.00	\$ 239,580.00
Total 2014 Capital		\$ 7,995,155.00	\$ 1,920,837.00	\$ 4,668,525.00	\$ 398,020.00	\$ 2,928,610.00	\$ 137,188.90

Municipality of North Perth - 2014 Combined Operating Budget										
	2013	2013	2014	2014	2014	%	Budget	%		
	Actual	Budget	Revenue	Expense	Budget	+ / -	Variance	>	% Levy	
Administration										
General Administration	292,312.46	172,992.00	488,586.34	828,816.84	340,230.50	96.7%	167,238.50	21.1%	2.0%	
Economic Development	98,192.40	119,250.00	23,250.00	120,250.00	97,000.00	-18.7%	(22,250.00)	-2.8%	-0.3%	
Police	2,642,490.75	2,653,837.00	54,100.00	2,924,496.00	2,870,396.00	8.2%	216,559.00	27%	2.6%	
Clerk Department	255,805.07	242,224.29	138,350.00	365,144.60	226,794.60	-6.4%	(15,429.69)	-1.9%	-0.2%	
Day Care Department	29,440.70	0.00	920,442.46	920,442.46	0.00					
Building Department	395.00	0.00	335,097.00	335,097.00	0.00					
Finance Department	314,129.38	397,619.00	146,200.00	533,500.00	387,300.00	-2.6%	(10,319.00)	-1.3%	-0.1%	
Conservation Authorities	231,006.00	231,135.00	0.00	240,434.00	240,434.00	4.0%	9,299.00	1.2%	0.1%	
BIA	0.00	0.00	65,861.26	65,861.26	0.00					
Current Operations	3,863,771.76	3,817,057.29	2,171,887.06	6,334,042.16	4,162,155.10	9.0%	345,097.81	43.4%	4.1%	
Library										
Library Operations	508,528.44	516,293.84	72,765.00	608,280.61	535,515.61	3.7%	19,221.77	2.4%	0.2%	
Current Operations	508,528.44	516,293.84	72,765.00	608,280.61	535,515.61	3.7%	19,221.77	2.4%	0.2%	
Fire										
Administration	730.66	0.00	6,050.00	6,050.00	0.00					
Listowel Fire Station	551,224.26	563,114.80	15,000.00	620,487.71	605,487.71	7.5%	42,372.91	5.3%	0.5%	
Atwood Fire Station	311,991.83	321,961.04	7,000.00	342,005.18	335,005.18	4.1%	13,044.14	1.6%	0.2%	
E/L Monkton Station	134,202.76	149,282.60	104,079.00	265,873.92	161,794.92	8.4%	12,512.32	1.6%	0.1%	
Minto fire Agreement	58,366.00	58,366.00	0.00	59,533.00	59,533.00	2.0%	1,167.00	0.1%	0.0%	
Current Operations	1,056,515.51	1,092,724.44	132,129.00	1,293,949.81	1,161,820.81	6.3%	69,096.37	8.7%	0.8%	
Public Works										
Road Department	3,785,218.97	4,028,717.40	25,150.00	4,197,467.50	4,172,317.50	3.6%	143,600.10	18.1%	1.7%	
Storm Water Mgmt	146,588.41	193,379.00	0.00	189,160.00	189,160.00	-2.2%	(4,219.00)	-0.5%	0.0%	
Drainage	18,920.96	21,850.00	12,000.00	40,190.00	28,190.00	29.0%	6,340.00	0.8%	0.1%	
Equipment Account	90,014.52	0.00	0.00	0.00	0.00					
Waste Management	184,356.84	230,635.00	655,200.00	887,080.00	231,880.00	0.5%	1,245.00	0.2%	0.0%	
Cemeteries	65,603.95	97,418.00	121,000.00	219,200.00	98,200.00	0.8%	782.00	0.1%	0.0%	
Water/Sewer	40,180.16	0.00	4,034,203.04	4,034,203.04	0.00					
Current Operations	4,330,883.81	4,571,999.40	4,847,553.04	9,567,300.54	4,719,747.50	3.2%	147,748.10	18.6%	1.7%	
Recreation										
Recreation Administration	366,133.77	354,217.00	10,000.00	367,639.00	357,639.00	1.0%	3,422.00	0.4%	0.0%	
Recreation Programs	3,285.51	13,710.00	109,368.22	124,998.22	15,630.00	14.0%	1,920.00	0.2%	0.0%	
Listowel Arena & Parks	256,460.32	301,579.00	448,100.00	755,360.00	307,260.00	1.9%	5,681.00	0.7%	0.1%	
Kinsmen Pool	39,297.46	20,660.00	59,500.00	94,350.00	34,850.00	68.7%	14,190.00	1.8%	0.2%	
EMCC	130,114.73	154,170.00	144,900.00	310,225.00	165,325.00	7.2%	11,155.00	1.4%	0.1%	
Lions Pool	45,755.32	48,290.00	34,500.00	85,724.16	51,224.16	6.1%	2,934.16	0.4%	0.0%	
Elma/Logan Arena & Parks	140,710.09	131,023.63	400,548.82	530,610.00	130,061.18	-0.7%	(962.45)	-0.1%	0.0%	
Wallace Arena & Parks	215,380.19	203,120.00	145,200.00	344,275.00	199,075.00	-2.0%	(4,045.00)	-0.5%	0.0%	
Beautification Committee	22,365.62	32,920.00	9,200.00	42,345.00	33,145.00	0.7%	225.00	0.0%	0.0%	
North Perth Trails	12,261.29	12,610.00	0.00	12,445.00	12,445.00	-1.3%	(165.00)	0.0%	0.0%	
Current Operations	1,231,764.30	1,272,299.63	1,361,317.04	2,667,971.38	1,306,654.34	2.7%	34,354.71	4.3%	0.4%	
Combined Totals										
	\$ 10,991,463.82	\$ 11,270,374.60	\$ 8,585,651.14	\$ 20,471,544.50	\$ 11,885,893.36	5.5%	615,518.76	77.5%	7.2%	
Less: Police Reserve	(64,936.40)	(76,903.33)			(152,930.00)	98.9%	(76,026.67)	-9.6%	-0.9%	
Less: Annual Surplus	(222,475.19)	(222,475.19)			(275,000.00)	23.6%	(52,524.81)	-6.6%	-0.6%	
Less: OMPF	(2,478,700.00)	(2,478,700.00)			(2,171,400.00)	-12.4%	307,300.00	38.7%	3.6%	
Overall Totals	8,225,352.23	8,492,296.08	\$ 8,585,651.14	\$ 20,471,544.50	\$ 9,286,563.36	9.4%	794,267.28	100.0%	9.4%	

Municipality of North Perth - 2014 Tax Levy & Rates

Assessment for 2014 Tax Year- with 2014 Approved Tax Levy & Rates

Tax Class	<u>Taxable</u>	<u>Tax</u>	<u>Weighted</u>	<u>General</u>	
	Assessment	Ratios	Assessment	Tax Rate	Levy
CT DT XT YT	116,755,782	1.2469000	145,582,785	0.00856782	1,000,342.12
ST	2,216,463	1.2469000	2,763,708	0.00856782	18,990.25
CU SU XU	1,451,360	0.8728300	1,266,791	0.00599747	8,704.49
CX	3,215,591	0.8728300	2,806,664	0.00599747	19,285.42
FTP	654,199,145	0.2500000	163,549,786	0.00171782	1,123,798.68
FTS	38,210,563	0.2500000	9,552,641	0.00171782	65,639.00
IT	17,136,411	1.9692000	33,745,021	0.01353095	231,871.96
LT	13,935,645	1.9692000	27,442,072	0.01353095	188,562.55
JT	1,812,246	1.9692000	3,568,675	0.01353095	24,521.41
IH	301,300	1.9692000	593,320	0.01353095	4,076.88
IJ	7,200	1.2799800	9,216	0.00879512	63.32
IX	1,619,651	1.2799800	2,073,121	0.00879512	14,245.02
LU	418,417	1.2799800	535,565	0.00879512	3,680.03
IU	552,600	1.2799800	707,317	0.00879512	4,860.18
MTEP	23,193,130	2.1505000	49,876,826	0.01477672	342,718.34
MTES	779,416	2.1505000	1,676,134	0.01477672	11,517.21
MTFS	254	2.1505000	546	0.01477672	3.75
PT	5,051,353	1.6391000	8,279,673	0.01126274	56,892.07
FAD R1 EP	333,150	0.2500000	83,288	0.00171782	572.29
FAD R4	1,764,000	0.2500000	441,000	0.00171782	3,030.24
RTP	840,317,060	1.0000000	840,317,060	0.00687129	5,774,065.63
RTS	49,632,656	1.0000000	49,632,656	0.00687129	341,040.57
RTP FS	88,881	1.0000000	88,881	0.00687129	610.73
RTC FS	563,750	1.0000000	563,750	0.00687129	3,873.69
I4	789,500	0.4923000	388,671	0.00338274	2,670.67
TT	201,500	0.2500000	50,375	0.00171782	346.14
Total Taxable	1,774,547,024		1,345,595,540		\$ 9,245,982.65

<u>PIL</u>					
Tax Class	Assessment	Ratios	Assessment	General	
CF	2,338,900	1.2469000	2,916,374	0.00856782	20,039.27
CG	2,052,250	1.2469000	2,558,951	0.00856782	17,583.30
CY	32,500	0.8728300	28,367	0.00599747	194.92
CZ	60,350	0.8728300	52,675	0.00599747	361.95
IP IG	80,700	1.9692000	158,914	0.01353095	1,091.95
RG	187,550	1.0000000	187,550	0.00687129	1,288.71
RP	3,000	1.0000000	3,000	0.00687129	20.61
Total PIL	4,755,250		5,905,832		\$ 40,580.71

Total	1,779,302,274	1,351,501,372	\$ 9,286,563.36
Apportioned Levy			53.1%
Based Rate Own Purposes:		0.0068713	
Percentage increase over last year			9.4%