



THE CORPORATION OF THE TOWNSHIP OF MAPLETON

COUNCIL AGENDA

FRIDAY, NOVEMBER 15, 2019 @ 1:00 P.M.

MAPLETON TOWNSHIP OFFICES

- 1. Call to Order**
- 2. Declaration of Pecuniary Interest**
- 3. Reports and Updates from Staff**
 - 3.1 Finance Department
Re: Budget 2020 – 2022 Deliberation
- 4. Confirmatory By-law 2019-098**
- 5. Adjournment**

PLEASE NOTE: Alternate Formats and Communication Support

The Township is committed to providing residents with communication support and alternate format of documents upon request. For more information or to make a request, please call the Township of Mapleton office at 519-638-3313.



Budget 2020-2022

A Multi-year Budget



Agenda

1. **Long Term Financial Plan & Policy**
2. **Current Indicators**
3. **2020 Tax rate**
4. **Review Operating Expenditures**
5. **Review Capital Budget**
6. **Water & Wastewater Plan B**
7. **Long term trend for the Capital Reserve**
8. **Tax rate Options**

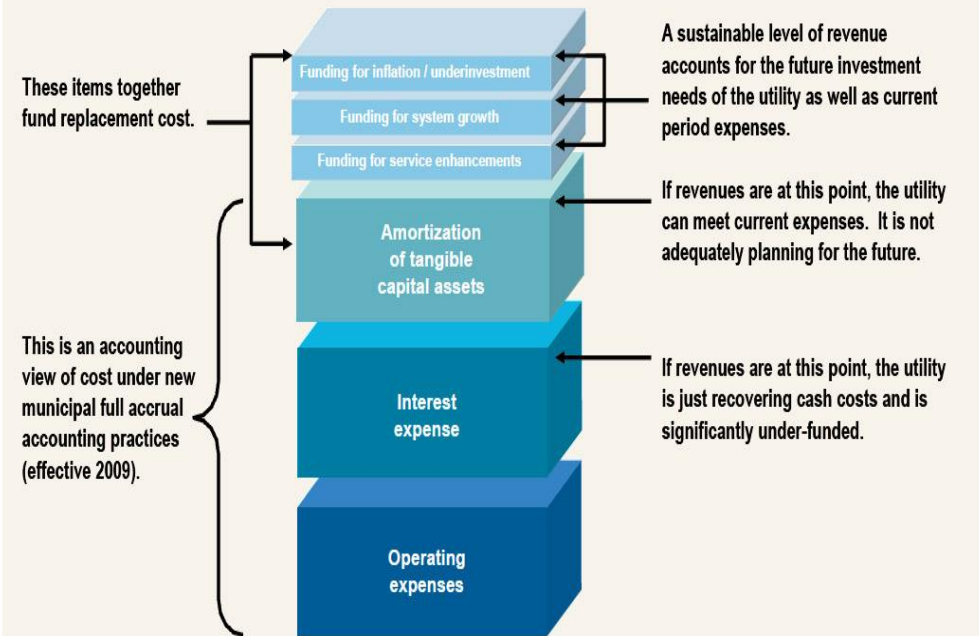


Long Financial Planning



Figure 2

A Building Blocks Approach to Determining Cost



Source: Adapted from *Toward Financially Sustainable Drinking-Water and Wastewater Systems*, Ministry of the Environment, August 2007



Financial Principles – A set of nine principles to guide decisions related to service and programme planning

1. Respect the tax & utility rate payer
2. Ensure the Capital plan is sustainable
3. Maintain assets
4. Deliver value for money
5. User pay where appropriate
6. Work with area municipalities to support economic viability of the community
7. Make prudent investments
8. Mitigate significant fluctuations in tax & utility rates
9. Borrow only for substantial long-term assets at affordable levels



Financial Sustainability – is the ability to provide and maintain planned services and infrastructure without resorting to unplanned rate increases or disruptive cuts to services

Total Reserves & Discretionary Reserves as a % of Municipal Operating Expenses

	2020	2021	2022
ESR	\$ 2,076,149	\$ 1,236,050	\$ 1,236,050
Building	\$ 674,915	\$ 720,454	\$ 762,279
Cap R	\$ 4,669,068	\$ 4,319,280	\$ 4,704,244
PSR	\$ 138,802	\$ 269,802	\$ 163,802
Cem R	\$ 96,462	\$ 101,462	\$ 106,462
Reserves	\$ 7,655,396	\$ 6,647,048	\$ 6,972,837
Total Operating Expenses	\$ 13,142,280	\$ 13,496,962	\$ 13,820,867
	58.3%	49.2%	50.5%

Level of Risk	FIR measure	2020	2021	2022
Low	>20%	58.3%	49.2%	50.5%
Moderate	10% to 20%			
High	<10 %			



Financial Vulnerability – Is the degree of dependence on external funding that the Township cannot control; it is the level of risk that could impact the ability to meet existing obligations and commitments

Debt Servicing Cost as a % of Total Revenues

		2020	2021	2022
Level of Risk	FIR measure			
Low	<5%			
Moderate	5% to 10%			
High	>10%	37.0%	33.0%	46.0%

Appendix B page 2 Annual Debt Repayment - utilized capacity



Financial Flexibility – is the ability to change either debt levels or taxes to meet financial obligations in a reasonable and responsive manner

Example from County of Wellington - own source of revenue at least 40-60% of total expenditures

Own Source of Revenue	\$ 11,337,996	\$ 11,676,885	\$ 11,999,516
Total Expenses	\$ 13,142,280	\$ 13,496,962	\$ 13,820,867
	86.3%	86.5%	86.8%



Financial Policy Framework

- a) Tangible Capital Asset Policy – Sustainability**
 - **Capitalization Thresholds/Amortization**
- b) Reserve & reserve fund policy – Flexibility**
 - **Define purpose & enables interfund borrowing**
- c) Asset management policy**
 - **Defines the level of service/attribute's of each asset classification**
- d) Debt management policy – work in progress**
 - **Intergenerational Equity/permitted level of debt**
- e) User Fee By-law Update & policy development**
 - **Full cost recovery that provide a direct benefit to the user**
- f) Development Charge by-law – to be updated April 2020**
 - **Growth to pay for growth**



Service Categories

- **General government – the administrative cost of program delivery**
- **Protection to person & property – the cost to ensure a safe community**
- **Transportation service – the cost to support a sustainable transportation system**
- **Environment services – the cost to provide clean water**
- **Health services – the cost to improve and maintain the health of the community**
- **Social & family services – the cost to care for others in the community**
- **Recreation & cultural services – the cost to ensure that the community has opportunities through leisure-time**
- **Planning & development – the cost of planning for the future and promoting the present**



Budget Highlights

- **Tax Levy increase for 2020 is 2.74%**
- **Tax Rate per \$100,000 is decrease by 5.13%**
- **Saving \$24.44 per \$100,000 of assessment**

	2019	2020		
Mapleton Tax Levy	\$ 7,806,729	\$ 8,020,419		2.74%
Mapleton Tax Rate	0.00476387	0.00451947		-5.13%
Mapleton Taxes on \$100,000	\$ 476.39	\$ 451.95	-\$ 24.44	-5.13%



Tax Support By Service Category

	2019	2020	2021	2022
General government	\$0.17	\$0.19	\$0.18	\$0.18
Protection to persons & property	\$0.11	\$0.11	\$0.11	\$0.11
Transportation services	\$0.66	\$0.66	\$0.67	\$0.67
Environment services	\$0.00	\$0.00	\$0.00	\$0.00
Health services	\$0.01	\$0.01	\$0.01	\$0.01
Social & Family Services	\$0.00	\$0.00	\$0.00	\$0.00
Recreation & cultural services	\$0.12	\$0.11	\$0.11	\$0.11
Planning & development	\$0.07	\$0.05	\$0.04	\$0.04
Assessment growth	-\$0.03	-\$0.02	-\$0.02	-\$0.02
OMPF	-\$0.11	-\$0.10	-\$0.10	-\$0.10
Tax dollar	\$1.00	\$1.00	\$1.00	\$1.00



**Wages & Salary
COLA 1.9%
Market Salary Survey- update
44 FTE – 4 new full-time Equipment Operators**

	2019		2020		2021		2022	
Wages & Salary	\$ 2,768,757	79%	\$ 3,017,285	79%	\$ 3,077,632	79%	\$ 3,139,185	79%
CPP	\$ 100,738	3%	\$ 107,415	3%	\$ 109,562	3%	\$ 111,751	3%
EI	\$ 44,876	1%	\$ 45,578	1%	\$ 46,488	1%	\$ 47,419	1%
WSIB	\$ 91,729	3%	\$ 94,994	2%	\$ 96,893	2%	\$ 98,830	2%
RSP	\$ 38,279	1%	\$ 40,330	1%	\$ 41,136	1%	\$ 41,957	1%
EHT	\$ 53,989	2%	\$ 58,835	2%	\$ 60,012	2%	\$ 61,211	2%
Benefits	\$ 219,103	6%	\$ 241,790	6%	\$ 246,624	6%	\$ 251,555	6%
OMERS	\$ 180,882	5%	\$ 215,756	6%	\$ 220,070	6%	\$ 224,469	6%
Total Wages & Benefits	\$ 3,498,353	100%	\$ 3,821,983	100%	\$ 3,898,417	100%	\$ 3,976,377	100%
			\$ 323,630		\$ 76,434		\$ 77,960	
			9.25%		2.00%		2.00%	

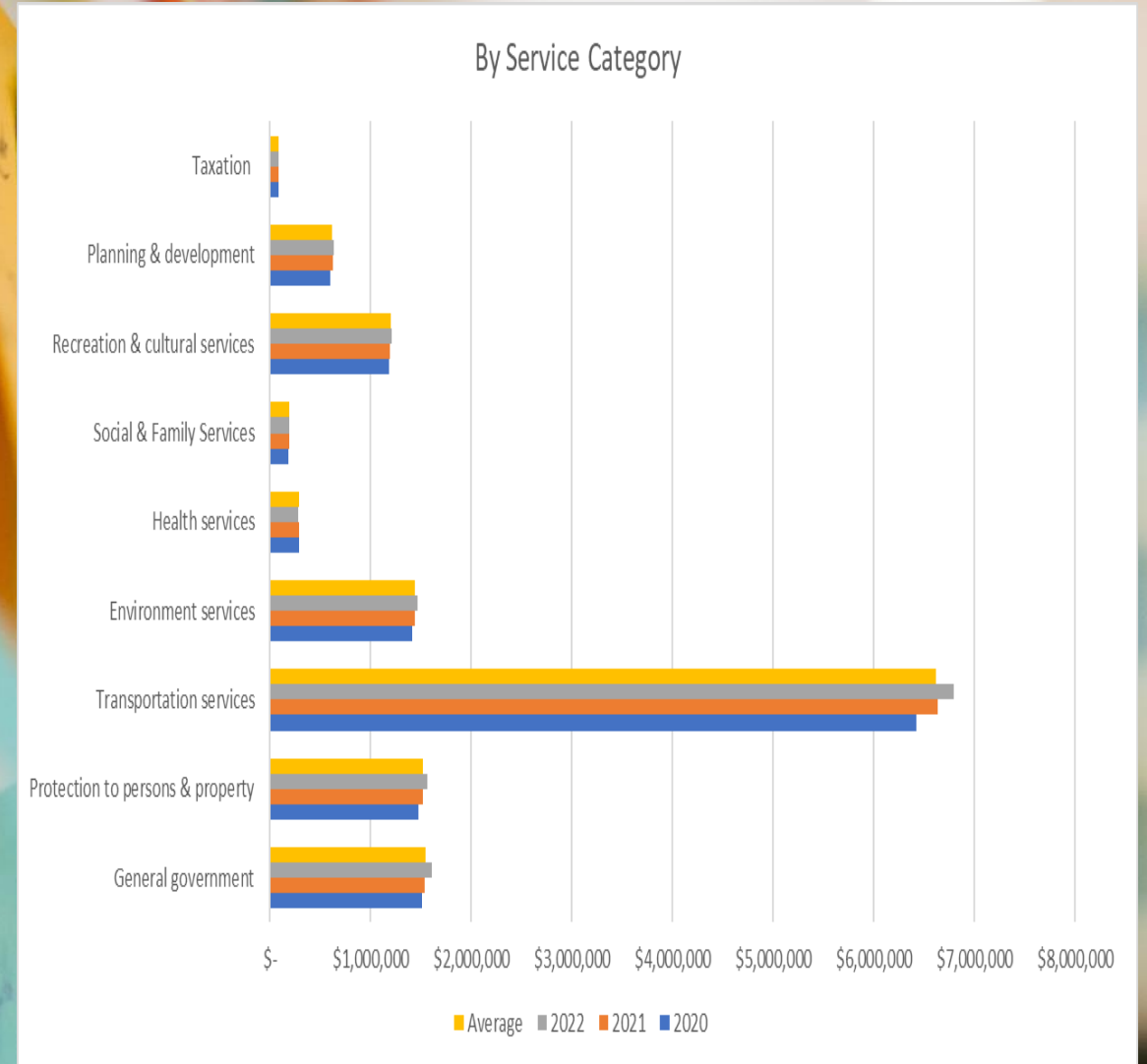
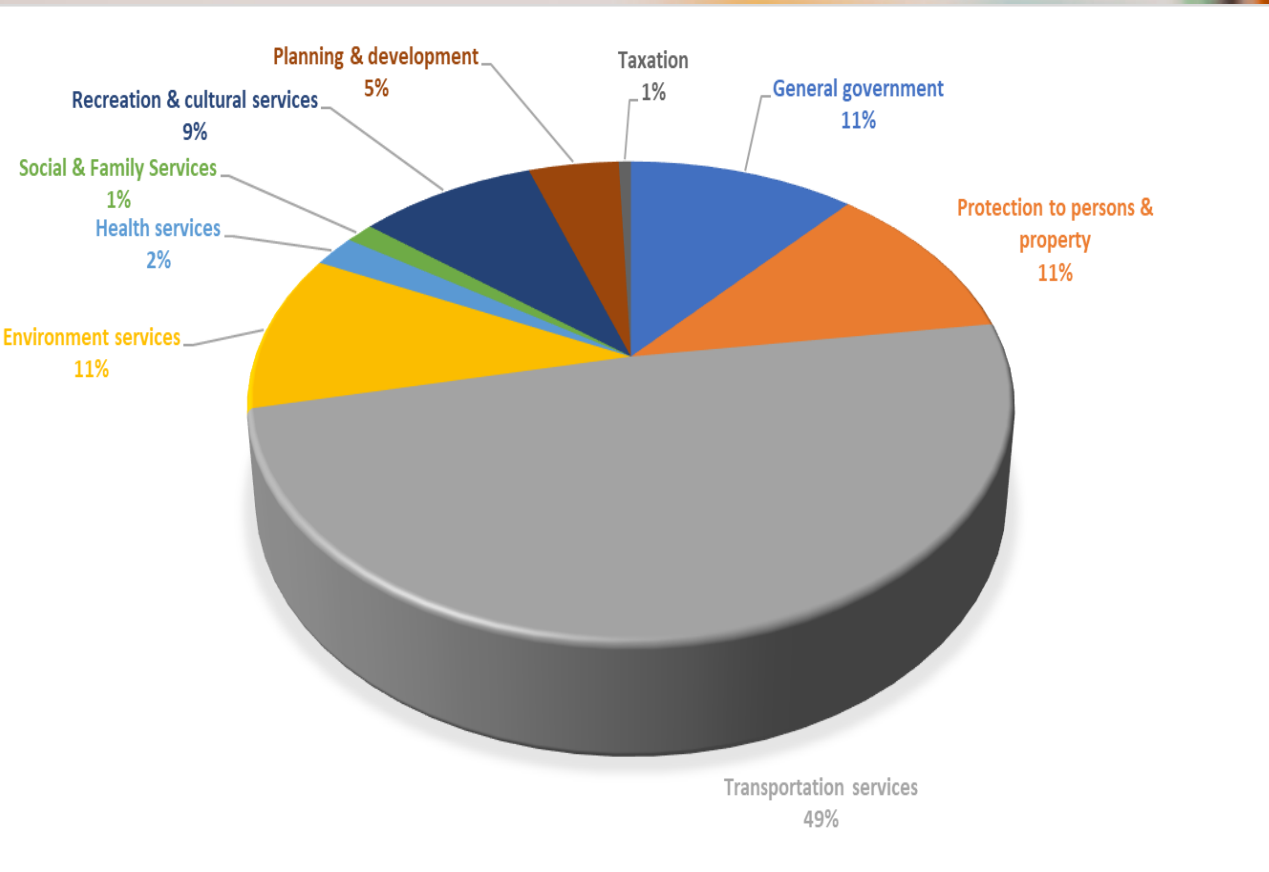


Operating Expenditures by Category

	2019		2020		2021		2022	
Salary & Wages	\$ 3,498,353	28%	\$ 3,821,983	29%	\$ 3,898,417	29%	\$ 3,976,377	29%
Supplies & materials	\$ 2,411,429	19%	\$ 2,431,195	18%	\$ 2,482,195	18%	\$ 2,573,309	19%
Contracted Services	\$ 1,150,014	9%	\$ 1,131,434	9%	\$ 1,154,279	9%	\$ 1,177,123	9%
Utilities & Insurance	\$ 685,708	5%	\$ 701,645	5%	\$ 705,333	5%	\$ 716,438	5%
Financial Expenses	\$ 1,061,799	8%	\$ 1,170,910	9%	\$ 1,087,687	8%	\$ 979,543	7%
Transfers fo Reserves & Reserve Funds	\$ 3,667,405	29%	\$ 3,804,073	29%	\$ 4,087,990	30%	\$ 4,316,995	31%
Taxation	\$ 81,020	1%	\$ 81,040	1%	\$ 81,061	1%	\$ 81,082	1%
Total Expenditures	\$ 12,555,728	100%	\$ 13,142,280	100%	\$13,496,962	100%	\$13,820,867	100%
			\$ 586,552		\$ 354,682		\$ 323,905	
			4.67%		2.70%		2.40%	



Operating Expenditures by Service Category





Capital Budget

	Capital Budget 2020		10-year Summary	
Bridges & Culverts	\$ 754,300	12.7%	\$ 10,686,900	20.9%
Roads & Sidewalks	\$ 1,722,200	29.0%	\$ 20,068,120	39.2%
Fleet & Equipment	\$ 868,000	14.6%	\$ 3,563,140	7.0%
Facilities	\$ 167,000	2.8%	\$ 2,392,500	4.7%
Parks	\$ 105,000	1.8%	\$ 285,000	0.6%
Fire Services	\$ 37,500	0.6%	\$ 1,616,500	3.2%
Water & Wastewater	\$ 2,155,500	36.3%	\$ 11,992,200	23.4%
Technology	\$ 21,600	0.4%	\$ 131,600	0.3%
Building & Renovations	\$ 115,000	1.9%	\$ 277,000	0.5%
Downtown Improvements	\$ -	0.0%	\$ 240,000	0.5%
Total	\$ 5,946,100	100.0%	\$ 51,252,960	100.0%

Staff have identified an additional \$9,678,444 in capital projects extending beyond 2030



**Environment Services
Water & Wastewater – PLAN B
Assumed no successful RFP proponent'**

THE 10-YEAR CAPITAL BUDGET FORECASTS A NEED FOR AN ADDITIONAL \$6 MILLION DOLLARS

- 1. 2020 - \$2,000,000 debenture/loan for the pumping station**
- 2. 2023 - \$2,500,000 debenture/loan for the ammonia treatment reactor to reach 1300 m³/day**
- 3. 2028 - \$1,500,000 debenture/loan for phase II of the Water Tower**

INTERFUND BORROWING FROM THE CAPITAL WILL BE REQUIRED

ASSUMED 25-YEAR LOANS @ 2.26%

UTILITY RATE INCREASE COMMENCING IN 2020 WILL BE 16.23%

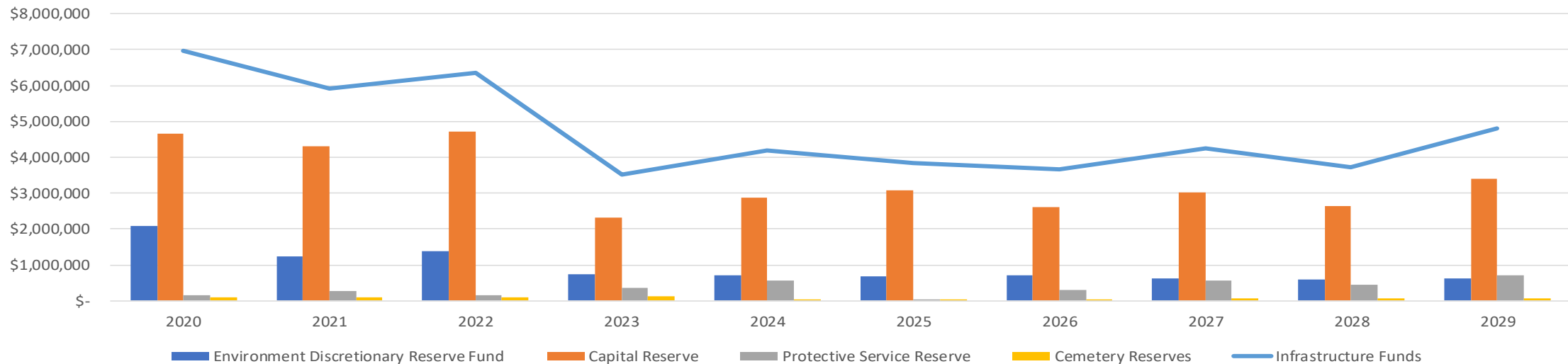
AN INCREASE FOR THE AVERAGE RESIDENTIAL UTILITY BILL OF \$21.04 PER MONTH



Discretionary Reserves & Reserve Funds 10-year Trendline

Fund	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Environment Discretionary Reserve Fund	\$ 2,076,149	\$ 1,236,050	\$ 1,388,676	\$ 728,999	\$ 718,954	\$ 689,863	\$ 702,164	\$ 616,835	\$ 580,454	\$ 625,381
Capital Reserve	\$ 4,669,068	\$ 4,319,280	\$ 4,704,244	\$ 2,308,593	\$ 2,862,186	\$ 3,083,197	\$ 2,620,636	\$ 3,025,572	\$ 2,647,073	\$ 3,405,899
Protective Service Reserve	\$ 138,802	\$ 269,802	\$ 163,802	\$ 359,802	\$ 571,802	\$ 26,802	\$ 287,802	\$ 551,802	\$ 452,802	\$ 709,802
Cemetery Reserves	\$ 96,462	\$ 101,462	\$ 106,462	\$ 111,462	\$ 36,462	\$ 41,462	\$ 46,462	\$ 51,462	\$ 56,462	\$ 61,462
Infrastructure Funds	\$ 6,980,481	\$ 5,926,594	\$ 6,363,184	\$ 3,508,856	\$ 4,189,404	\$ 3,841,324	\$ 3,657,064	\$ 4,245,671	\$ 3,736,791	\$ 4,802,544

Infrastructure Funds





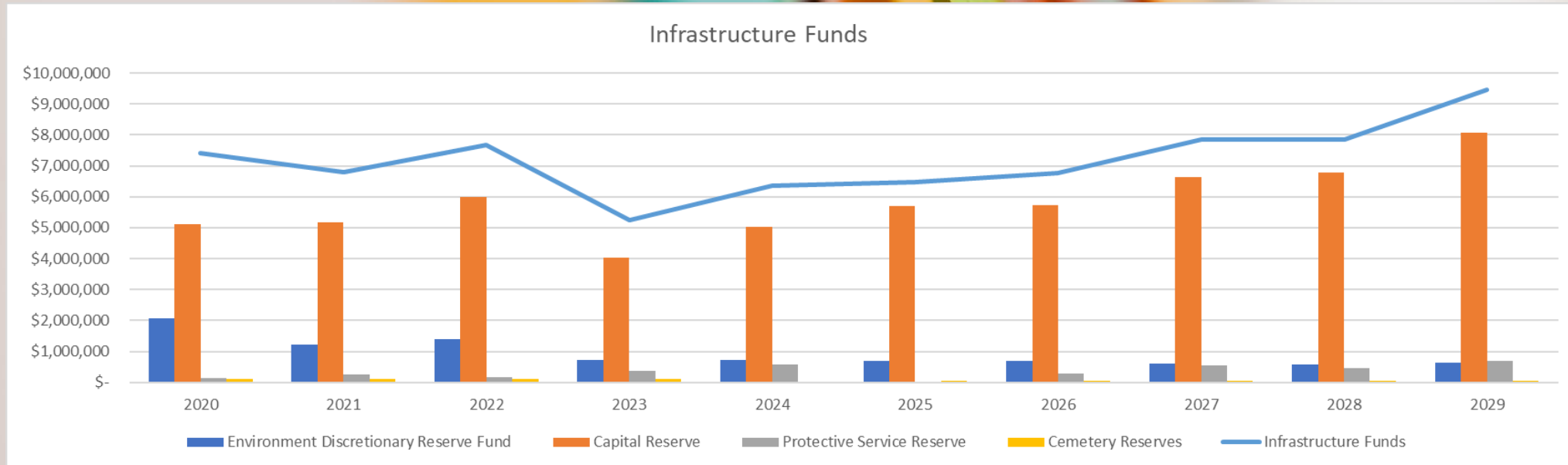
Tax Rate Option

Mapleton Tax Levy		2019	2020	Increase	
Operational Requirements	\$	7,806,729	\$ 5,112,777		
Infrastructure Needs			\$ 3,341,361		
Subtotal	\$	7,806,729	\$ 8,454,138	\$647,409	8.29%
Residential Tax Rates		0.00476387	0.00288103		
Infrastructure Tax Rate			0.00188284		
Mapleton Taxes on \$100,000					
Residential Taxes	\$	476.39	\$ 288.10		
Infrastructure Taxes			\$ 188.28		
	\$	476.39	\$ 476.39	\$ 0	0.00%



Discretionary Reserves & Reserve Funds 10-year Trendline

Fund	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Environment Discretionary Reserve Fund	\$ 2,076,149	\$ 1,236,050	\$ 1,388,676	\$ 728,999	\$ 718,954	\$ 689,863	\$ 702,164	\$ 616,835	\$ 580,454	\$ 625,381
Capital Reserve	\$ 5,102,787	\$ 5,186,718	\$ 6,005,401	\$ 4,043,469	\$ 5,039,456	\$ 5,711,707	\$ 5,722,950	\$ 6,625,380	\$ 6,769,248	\$ 8,076,562
Protective Service Reserve	\$ 138,802	\$ 269,802	\$ 163,802	\$ 359,802	\$ 571,802	\$ 26,802	\$ 287,802	\$ 551,802	\$ 452,802	\$ 709,802
Cemetery Reserves	\$ 96,462	\$ 101,462	\$ 106,462	\$ 111,462	\$ 36,462	\$ 41,462	\$ 46,462	\$ 51,462	\$ 56,462	\$ 61,462
Infrastructure Funds	\$ 7,414,200	\$ 6,794,032	\$ 7,664,341	\$ 5,243,732	\$ 6,366,674	\$ 6,469,834	\$ 6,759,378	\$ 7,845,479	\$ 7,858,966	\$ 9,473,207





Possible Budget Impact

Tax rate per \$100,000 remains \$476.39

Assessment growth in 2019 was 2.89%



Questions



THE CORPORATION OF THE TOWNSHIP OF MAPLETON

BY-LAW NUMBER 2019-098

Being a by-law to confirm all actions and proceedings of the Council of the Corporation of the Township of Mapleton

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 Mapleton enacts as follows:

1. All actions and proceedings of the Council of the Corporation of the Township of Mapleton taken at its meetings held on Friday, November 15, 2019, except those taken specifically by By-law and those required by law to be done by Resolution only are hereby sanctioned, confirmed and adopted as though they were set out herein.
2. The Mayor, or in his absence, the Presiding Officer and the Clerk, or in his/her absence, the Deputy Clerk, are hereby authorized and directed to do all things necessary to give effect to the foregoing.
3. The Mayor, or in his absence, the Presiding Officer and the Clerk, or in his/her absence, the Deputy Clerk, are hereby authorized and directed to execute all documents required by law to be executed by them as may be necessary in order to implement the foregoing and the Clerk, or in his/her absence, the Deputy Clerk, is hereby authorized and directed to affix the seal of the Corporation to any such documents.

READ a first, second and third time on Friday, November 15, 2019.

Mayor Gregg Davidson

Clerk Barb Schellenberger