



Municipality of Mississippi Mills

SPECIAL COUNCIL AGENDA

Tuesday, November 14, 2023

6:00 p.m.

Hybrid

3131 Old Perth Road.

Pages

A. CALL TO ORDER

B. ATTENDANCE

C. APPROVAL OF AGENDA

Recommended Motion:

THAT the agenda be approved as presented.

**D. DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE
THEREOF**

E. SPECIAL REPORTS

E.1 2024 Budget Update and Details # 3

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Recommended Motion:

THAT Council approve the following motions from the 2024 Budget Update and Details #3 report;

AND THAT the following motions (E.1.xx) be pulled for further consideration.

a. Housing Accelerator Fund (information item)

Recommended Motion:

THAT Council receive details related to the Housing Accelerator Fund grant application as information.

b. Alignment of CSMP with Long Term Financial Plan and Asset Management Plan (information item)

Recommended Motion:

THAT Council receive details related to the Asset Management Plan and Long Term Financial Plan as information.

- c. **Cash in Lieu of Parkland (information item)**
Recommended Motion:
THAT Council receive the confirmation that no 2024 proposed capital projects are eligible for funding from Cash in Lieu of Parkland as information.
- d. **Insurance Premiums (staff direction)**
Recommended Motion:
THAT Council direct staff to secure information about the Municipality's 2024 insurance renewal, coverage implications, and cost savings opportunities and bring a report back to Council;
AND THAT should this occur prior to finalizing the budget, Council direct that staff update the budget assumption for insurance premium increases from 20% to a more accurate figure.
- e. **Reserves (staff direction)**
Recommended Motion:
THAT Council direct staff to bring a staff report with recommendations related to reserves back to Council on or before the end of March 2024.
- f. **Borrowing Rates Regarding Annual Debt Servicing Costs - Almonte Downtown Core, 2023 Paving Projects (information item)**
Recommended Motion:
THAT Council receive the updates regarding the borrowing rates and the related decrease in annual debt servicing costs for the Almonte Downtown Core Project and 2023 Paving Projects as information.
- g. **LED Lighting Projects (staff direction)**
Recommended Motion:
THAT Council direct staff to apply for rebates through the Save On Energy program for the two LED lighting projects in the 2024 draft budget.
- h. **Budget Line Items Shifts From Capital to Operating budget**
 - a. **Environmental/ Waste Management (staff direction)**
Recommended Motion:
THAT Council direct staff to move a total of \$73,000 from the Environmental / Waste Management draft capital budget to the Environmental / Waste Management draft operating budget.

b. Water & Sewer (staff direction)

Recommended Motion:

THAT Council direct staff to move a total of \$66,950 from the Water & Sewer draft capital budget to the Water & Sewer draft operating budget.

c. Public Works Beautification (staff direction)

Recommended Motion:

THAT Council direct staff to move a total of \$31,000 from the Public Works Beautification draft Capital budget to the Public Works Beautification draft operating budget.

d. Parks - Tree Works (2024 budget impact)

Recommended Motion:

THAT Council amend the draft 2024 to reallocate \$10,000 for tree works in parks from the 2024 draft capital budget to the draft operating budget as an annual and recurring cost.

i. **ORPC Garage and Pole Barn (information item)**

Recommended Motion:

THAT Council receive the update related to lease revenue from ORPC for the garage and pole barn, in the amount of \$90,400, as information.

j. **Affordable Housing Grant (2024 budget impact)**

Recommended Motion:

THAT Council amend the draft 2024 budget to remove the Affordable Housing Grant from the Planning draft operating budget in the amount of \$50,000 for 2024.

k. Planning & Engineering Fees (2024 budget impact)

Recommended Motion:

THAT Council amend the draft 2024 budget to increase the draft Revenue budget for planning fees from \$127,740.24 to \$200,000 based on revised estimates and calculations; **AND THAT** Council amend the draft 2024 budget to include Option E to increase Engineering Fee Revenues by \$110,000 and increase Other Professional Fees by \$75,000 for a net increase in revenues of \$35,000.

I. Ontario Municipal Partnership Funding - Paving Projects (staff direction)

Recommended Motion:

THAT Council direct staff to apply an additional \$48,900 in grant funding from Ontario Municipal Partnership Funding to offset the amount proposed to be borrowed for paving projects thereby reducing debt requirements in the draft capital budget for hard topping and paving to \$880,784.

m. 2024 Capital Projects

a. Loader Replacement (2024 budget impact)

Recommended Motion:

THAT Council amend the draft capital 2024 budget to include the replacement of the Loader, in the amount of \$240,000, funded by debt financing.

b. Grader Replacement (2024 budget impact)

Recommended Motion:

THAT Council amend the draft 2024 budget to include the Grader, in the amount of \$410,000, funded by debt financing.

c. Mercer/Marshall Project (2024 budget impact)

Recommended Motion:

THAT Council amend the draft 2024 budget to include Option A related to the Mercer/Marshall project, to borrow a total of \$1,650,000 for the culvert, storm sewer, and water and sanitary works.

d. Pakenham Salt Shed (budget impact)

Recommended Motion:

THAT Council defer replacement of the Pakenham Salt Shed until we have our next facilities review.

e. Southern River Crossing (2024 budget impact)

Recommended Motion:

THAT Council defer the Southern River crossing Class EA and Design until receipt of the Water & Wastewater Master Plan in 2024 and consider this project in 2025 budget deliberations.

n. New Fire Truck (2024 budget impact)

Recommended Motion:

THAT Council amend the draft 2024 budget to include the purchase of the new fire truck, in the amount of \$900,000, to be funded by debt financing.

o. Policing (staff direction)

Recommended Motion:

THAT Council direct staff to include Option I in the 2024 draft policing budget, to maintain the revised budget as presented for the OPP contract on October 12 in the amount of \$1,893,536.

p. Community Services

a. Tennis Court Renewal Project (2024 budget impact)

Recommended Motion:

THAT Council defer the tennis court renewal project pending receipt of the Community Services Master Plan.

b. Curling Rink Chiller Project (2024 budget impact)

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Recommended Motion:

THAT Council defer the request for an additional \$150,000 for the curling rink chiller project in the 2024 draft budget pending receipt of the Community Services Master Plan.

c. Museum Funding (2024 budget impact)

Recommended Motion:

THAT Council amend the draft 2024 budget to include the Museum funding equivalent to 2023 budgeted amounts plus 3% pending receipt of the Community Services Master Plan;

AND THAT Council amend the draft 2024 budget to include the one time capital request from North Lanark Regional Museum in the amount of \$6,190.

d. Youth Centre Funding (2024 budget impact)

Recommended Motion:

THAT Council amend the draft 2024 budget to include Youth Center funding of \$35,000, with future consideration for additional increases pending receipt of the Community Services Master Plan.

e. John Levi Centre Chiller and Condenser (2024 budget impact)

Recommended Motion:

THAT Council amend the draft 2024 budget to include capital expenditures of \$160,000 for the John Levi Center chiller and condenser as proposed in the draft 2024 capital budget.

- q. **Events Coordinator (2024 budget impact)**
Recommended Motion:
THAT Council amend the draft 2024 budget to allocate the \$6,242.40 budget for labour related to events in Almonte and Pakenham for 2024 toward part-time casual Events Coordinator positions;
AND THAT Council amend the draft 2024 budget to include the Recreation Programmer position in the 2024 budget, with 50% of the costs to Recreation and 50% to Economic Development.
- r. **Downtown Heritage Streetlights (2024 budget impact)**
Recommended Motion:
THAT Council amend the draft 2024 budget to include Option L, being \$24,000 to replace two (2) downtown heritage streetlights.
- s. **Corporate Services Reserves (staff direction)**
Recommended Motion:
THAT Council direct staff to include Option O in the 2024 draft budget, such that the Corporate Services transfer to reserves for 2024 is maintained at \$113,024.
- t. **Long Term Disability Premiums (2024 budget impact)**
Recommended Motion:
THAT Council amend the draft 2024 budget to include increasing the Municipality's portion of coverage for staff Long Term Disability premiums from 50% to 100%.
- u. **Reserves Stabilization and Tax Rates (2024 budget impact)**
Recommended Motion:
THAT Council direct staff to reflect Option T in the draft budget whereby no more than \$461,430.22 shall be drawn from stabilization reserves in the 2024 budget, and additional spending in excess of this amount be applied to the tax rate.

E.2 2024 Budget Approval

Option #1:

THAT Council approve the 2024 budget as amended.

Option #2:

THAT Council direct staff to bring forward the amended budget for approval at a future Council meeting in December.

F. CONFIRMATORY BY-LAW

Recommended Motion:

THAT By-law 23-072, being a by-law to confirm the proceedings of the Council of the Corporation of the Municipality of Mississippi Mills at its special meeting held on the 14th day of November 2023, be read, passed, signed, and sealed in Open Council this 14th day of November 2023.

G. ADJOURNMENT

Recommended Motion:

THAT the meeting be adjourned at x:xx p.m.

THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

STAFF REPORT

DATE: November 14, 2023

TO: Special Council

FROM: Kathy Davis, Director of Corporate Services, Treasurer
Andrew Hodge, Deputy Treasurer

SUBJECT: 2024 Budget Update and Details # 3

RECOMMENDATIONS:

- a. **Housing Accelerator Fund**
THAT Council receive details related to the Housing Accelerator Fund grant application as information.
- b. **Alignment of CSMP with Long Term Financial Plan and Asset Management Plan**
THAT Council receive details related to the Asset Management Plan and Long Term Financial Plan as information.
- c. **Cash in Lieu of Parkland**
THAT Council receive the confirmation that no 2024 proposed capital projects are eligible for funding from Cash in Lieu of Parkland as information.
- d. **Insurance Premiums**
THAT Council direct staff to secure information about the Municipality's 2024 insurance renewal, coverage implications, and cost savings opportunities and bring a report back to Council; AND THAT should this occur prior to finalizing the budget, Council direct that staff update the budget assumption for insurance premium increases from 20% to a more accurate figure.
- e. **Reserves**
THAT Council direct staff to bring a staff report with recommendations related to reserves back to Council on or before the end of March 2024.
- f. **Borrowing Rates Regarding Annual Debt Servicing Costs Almonte Downtown Core, 2023 Paving Projects**
THAT Council receive the updates regarding the borrowing rates and the related decrease in annual debt servicing costs for the Almonte Downtown Core Project and 2023 Paving Projects as information.

g. LED Lighting Projects

THAT Council direct staff to apply for rebates through the Save On Energy program for the two LED lighting projects in the 2024 draft budget.

h. Budget Line Items Shifts from Capital to Operating budget

h.a. Environmental/ Waste Management

THAT Council direct staff to move a total of \$73,000 from the Environmental / Waste Management draft capital budget to the Environmental / Waste Management draft operating budget.

h.b. Water & Sewer

THAT Council direct staff to move a total of \$66,950 from the Water & Sewer draft capital budget to the Water & Sewer draft operating budget.

h.c. Public Works Beautification

THAT Council direct staff to move a total of \$31,000 from the Public Works Beautification draft Capital budget to the Public Works Beautification draft operating budget.

h.d. Parks - Tree Works

THAT Council amend the draft 2024 to reallocate \$10,000 for tree works in parks from the 2024 draft capital budget to the draft operating budget as an annual and recurring cost.

i. ORPC Garage and Pole Barn

THAT Council receive the update related to lease revenue from ORPC for the garage and pole barn, in the amount of \$90,400, as information.

j. Affordable Housing Grant

THAT Council amend the draft 2024 budget to remove the Affordable Housing Grant from the Planning draft operating budget in the amount of \$50,000 for 2024.

k. Planning & Engineering Fees

THAT Council amend the draft 2024 budget to increase the draft Revenue budget for planning fees from \$127,740.24 to \$200,000 based on revised estimates and calculations; AND THAT Council amend the draft 2024 budget to include Option E to increase Engineering Fee Revenues by \$110,000 and increase Other Professional Fees by \$75,000 for a net increase in revenues of \$35,000.

l. Ontario Municipal Partnership Funding - Paving Projects

THAT Council direct staff to apply an additional \$48,900 in grant funding from Ontario Municipal Partnership Funding to offset the amount proposed to be

borrowed for paving projects thereby reducing debt requirements in the draft capital budget for hard topping and paving to \$880,784.

m. 2024 Capital Projects

m.a. Loader Replacement

THAT Council amend the draft capital 2024 budget to include the replacement of the Loader, in the amount of \$240,000, funded by debt financing.

m.b. Grader Replacement

THAT Council amend the draft 2024 budget to include the Grader, in the amount of \$410,000, funded by debt financing.

m.c. Mercer/Marshall Project

THAT Council amend the draft 2024 budget to include Option A related to the Mercer/Marshall project, to borrow a total of \$1,650,000 for the culvert, storm sewer, and water and sanitary works.

m.d. Pakenham Salt Shed

THAT Council defer replacement of the Pakenham Salt Shed until we have our next facilities review.

m.e. Southern River Crossing

THAT Council defer the Southern River crossing Class EA and Design until receipt of the Water & Wastewater Master Plan in 2024 and consider this project in 2025 budget deliberations.

n. New Fire Truck

THAT Council amend the draft 2024 budget to include the purchase of the new fire truck, in the amount of \$900,000, to be funded by debt financing.

o. Policing

THAT Council direct staff to include Option I in the 2024 draft policing budget, to maintain the revised budget as presented for the OPP contract on October 12 in the amount of \$1,893,536.

p. Community Services

p.a. Tennis Court Renewal Project

THAT Council defer the tennis court renewal project pending receipt of the Community Services Master Plan.

p.b. Curling Rink Chiller Project

THAT Council defer the request for an additional \$150,000 for the curling rink chiller project in the 2024 draft budget pending receipt of the Community Services Master Plan.

p.c. Museum Funding

THAT Council amend the draft 2024 budget to include the Museum funding equivalent to 2023 budgeted amounts plus 3% pending receipt of the Community Services Master Plan;

AND THAT Council amend the draft 2024 budget to include the one time capital request from North Lanark Regional Museum in the amount of \$6,190.

p.d. Youth Centre Funding THAT Council amend the draft 2024 budget to include Youth Center funding of \$35,000, with future consideration for additional increases pending receipt of the Community Services Master Plan.

p.e. John Levi Centre Chiller and Condenser

THAT Council amend the draft 2024 budget to include capital expenditures of \$160,000 for the John Levi Center chiller and condenser as proposed in the draft 2024 capital budget.

q. Events Coordinator

THAT Council amend the draft 2024 budget to allocate the \$6,242.40 budget for labour related to events in Almonte and Pakenham for 2024 toward part-time casual Events Coordinator positions;

AND THAT Council amend the draft 2024 budget to include the Recreation Programmer position in the 2024 budget, with 50% of the costs to Recreation and 50% to Economic Development.

r. Downtown Heritage Streetlights

THAT Council amend the draft 2024 budget to include Option L, being \$24,000 to replace two (2) downtown heritage streetlights.

s. Corporate Services Reserves

THAT Council direct staff to include Option O in the 2024 draft budget, such that the Corporate Services transfer to reserves for 2024 is maintained at \$113,024.

t. Long Term Disability Premiums

THAT Council amend the draft 2024 budget to include increasing the Municipality's portion of coverage for staff Long Term Disability premiums from 50% to 100%.

u. Reserves Stabilization and Tax Rates

THAT Council direct staff to reflect Option T in the draft budget whereby no more than \$461,430.22 shall be drawn from stabilization reserves in the 2024 budget, and additional spending in excess of this amount be applied to the tax rate.

BACKGROUND:

At the October 10 and 12, 2023 Special Council budget meetings staff presented the proposed departmental budgets for 2024. Council requested further information and clarification related to a number of items in the proposed 2024 budget as presented. This report attempts to respond to the questions and information requests of Council in addition to providing other timely information for Council's consideration in preparation for the November 14, 2023 Special Council meeting.

The information in the report is intended to support discussion and deliberation by Council, and recommendations are provided only to initiate discussion so that Council can undertake decision making and provide direction to staff.

The report is structured in three sections:

- **Information Items and Updates** - background information and updates further to budget meetings held on September 26, October 10, and October 12, 2023.;
- **Revenue and Savings Opportunities** - which are revenue, savings, and funding information provided for Council's consideration.
- **Strategic Priorities** - background information related to follow up items for infrastructure, growth, and asset management for the Municipality are provided, mostly concerning capital purchases and projects put forward for 2024. Following this section, Council's other strategic priorities are used to categorize discussion items.

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DISCUSSION:

a) Housing Accelerator Fund (HAF)

The Municipality applied for the 4-year HAF grant in August of 2023 in the amount of \$3,400,000. The Municipality was subsequently contacted by CMHC, administrator of the Grant, for clarification and further details. Upon review, it was determined that the Municipality was eligible to apply for \$8,300,000 and the application was updated to reflect same.

The grant application is still pending as of writing this report.

Recommendation a:

THAT Council receive details related to the Housing Accelerator Fund grant application as information.

b) Alignment of CSMP with Long Term Financial Plan and Asset Management Plan

In early 2024, the Community Services Master Plan (CSMP) will be completed. The findings of this report can inform amendments to the 2024 Budget if deemed urgent but will also inform the 2025 and subsequent year budgets.

By July 1, 2024, the next phase of the Asset Management Plan (AMP) will be completed. This update would focus on data gathering to deliver an asset management plan including all non-core assets, levels of service and lifecycle management strategies. This plan would meet the July 1, 2024 requirements of O. Reg. 588/17.

By July 1, 2025, a subsequent phase would focus on creating a consolidated asset management plan for all the Municipality's assets, levels of service, costs, and a detailed financial strategy. The result would be a comprehensive AMP that is compliant with the July 1, 2025 requirements of O. Reg. 588/17.

In 2024, work will also begin on the Municipality's Long Term Financial Plan (LTFP). The Goal of the project charter reads:

The purpose of long term financial plans is to work towards sustainability - that the Municipality has the funds in place to pay for all expenditures into the future. The Financial plan will provide Council and the Public with an estimated level of spending and therefore the levels of taxation and user fees needed to support the plan for the next five years. It also provides Staff with an annual workplan and informs the annual budget. The budget process is simplified each year as Council would only have to confirm that the financial plan projections for that year are still valid. Once developed and approved, the strategies used for debt and reserves in the financial plan can be formalized in updated debt and reserve policies.

Recommendation b:

THAT Council receive details related to the Asset Management Plan and Long Term Financial Plan as information.

c) Cash in Lieu of Parkland

Reserves held as cash in lieu of parkland can be used for the acquisition or development of parkland. Upon review of the 2024 parks and recreation proposed projects, none relate to acquisition or development of parkland that would be applicable to this fund.

Recommendation c:

THAT Council receive the confirmation that no 2024 proposed capital projects are eligible for funding from Cash in Lieu of Parkland as information.

d) Insurance Premiums

We have contacted our broker, who reports that they have requested updated information from the insurer and are preparing a loss ratio analysis. Once complete, they will be able to provide renewal information and share ways to mitigate premium increases.

Recommendation d:

THAT Council direct staff to secure information about the Municipality's 2024 insurance renewal, coverage implications, and cost savings opportunities and bring a report back to Council;

AND THAT should this occur prior to finalizing the budget, Council direct that staff update the budget assumption for insurance premium increases from 20% to a more accurate figure.

e) Reserves

We have committed to further discussions related to reserves in the new year. Attached as Attachment 1 is the Municipality's reserve policy for review and information.

The policy speaks to Stabilization reserves (for clarity, we had referred to these as 'General' reserves), Program Specific reserves, and Capital reserves. Each reserve type is defined, with funding sources, target levels, and uses.

Recommendation e:

THAT Council direct staff to bring a staff report with recommendations related to reserves back to Council on or before the end of March 2024.

f) Borrowing Rates Regarding Annual Debt Servicing Costs - Almonte Downtown Core, 2023 Paving Projects

The budget tabled on September 26, 2023 assumed a 7% lending rate for these two projects. At the October 17, 2023 Council meeting, approval to secure financing through Infrastructure Ontario was provided. The rate, while still subject to variability, is less than 5.5%. Based on Infrastructure Ontario's timelines, it is expected that loan funds will be advanced by the end of January, 2024.

The budget tabled on September 26, 2023 held an error related to the amount of the loan for the Downtown Core. In that version, the loan was assumed to be the total identified in the 2022 transportation budget, being \$3,275,350, but split between Transportation and Water & Sewer. To correct this error, the November 14 version will contain debt payments related to the full transportation share of \$2,900,000. The Water & Sewer payments will also be updated as they were funded with reserves.

The net impact of these updates is that the loan payments budgeted in 2024 for Transportation – Roads have increased from \$710,692 to \$785,498 for a difference of \$74,806, and the loan payments budgeted in 2024 for Water & Sewer have decreased from \$931,953 to \$793,056 for a difference of \$138,897. As such, staff has updated the budget to include the changes in debt obligations related to these two loans. The net impact of this change is savings of \$64,091.

Recommendation f:

THAT Council receive the updates regarding the borrowing rates and the related decrease in annual debt servicing costs for the Almonte Downtown Core Project and 2023 Paving Projects as information.

g) LED Lighting Projects

Two projects are identified in the 2024 capital budget related to LED lighting upgrades. The estimated break-even related to investing in these upgrades is 6 to 7 years, and the sale of the fluorescent bulbs currently in use will be prohibited by the end of 2026.

- \$30,000 - Upgrading the lighting in the basement of the Curling Club will signify completion of all lighting upgrades at our community centers, with the exception of the upper hall at the John Levi Community center.
- \$25,000 - The next building being phased in is the municipal office which does employ various types of fixtures; the project would standardize lighting to LED fixtures

Upon investigation, it was identified that the Green Municipal Fund will require a feasibility study for each project and is geared toward greenhouse gas emission reduction. The funding could be up to 80% of the total project cost, with up to 25% of that amount being grant funded and the remainder as a loan. At this time we do not have a feasibility study for either project and such studies may cost more than the available grant.

Project	Total project budget	Available for funding through GMF	Loan portion	Grant portion
Curling Club	\$30,000	\$24,000	\$18,000	\$6,000
Municipal Office	\$25,000	\$20,000	\$15,000	\$5,000

An alternative source of funding is the Save On Energy program, which has established rebate rates per fixture that is exchanged, depending on the type of lighting. Savings related to these two upgrades by applying to the Save On Energy program are estimated to be \$5,000.

Recommendation g:

THAT Council direct staff to apply for rebates through the Save On Energy program for the two LED lighting projects in the 2024 draft budget.

h) Budget Line Item Shifts from Capital to Operating Budget

The following items have been identified as ongoing operating expenses that occur annually, however, have historically been included in the Municipality's capital budget. In the November 14 update, these items have been removed from capital and added to the applicable operating budget.

Environmental / Waste Management:	
ENVIRONMENTAL SAMPLING PAKENHAM LANDFILL (ANNUAL)	\$ 10,000
ENVIRONMENTAL SAMPLING HOWIE RD. LANDFILL (ANNUAL)	\$ 40,000
ENVIRONMENTAL SAMPLING RAMSAY LANDFILL (ANNUAL)	\$ 23,000
Total	\$ 73,000

Water & Sewer:	
SAMPLE MONITORING WELLS UPSTREAM OF WELL 5 (REGULATORY)	\$ 17,510
ANNUAL CLEANING AND CCTV PROGRAM-INFILTRATION PER LTFP	\$ 49,440
Total	\$ 66,950

Public Works Beautification:	
Flower Baskets	\$ 20,000
Installation of Christmas Décor	\$ 11,000
Total	\$ 31,000

Parks and Recreation:	
Tree work in Parks	\$ 10,000
Total	\$ 10,000

Environmental/ Waste Management

Recommendation h.a.

THAT Council direct staff to move a total of \$73,000 from the Environmental / Waste Management draft capital budget to the Environmental / Waste Management draft operating budget.

Water & Sewer

Recommendation h.b.

THAT Council direct staff to move a total of \$66,950 from the Water & Sewer draft capital budget to the Water & Sewer draft operating budget.

Public Works Beautification

Recommendation h.c.

THAT Council direct staff to move a total of \$31,000 from the Public Works Beautification draft Capital budget to the Public Works Beautification draft operating budget.

Parks – Tree Works

Recommendation h.d.

THAT Council amend the draft 2024 to reallocate \$10,000 for tree works in parks from the 2024 draft capital budget to the draft operating budget as an annual and recurring cost.

i) ORPC Garage and Pole Barn

In November of 2023 we will update the terms of our lease agreement with ORPC for the garage and pole barn. The renewal includes an increase in lease revenue for the Municipality in the amount of \$90,400. This revenue will be added to the revised version of the budget.

Recommendation i:

THAT Council receive the update related to lease revenue from ORPC for the garage and pole barn, in the amount of \$90,400, as information.

j) Affordable Housing Grant

An annual operating budget of \$50,000 was included in the budget for this grant. Although this has been budgeted for two years now (2022, 2023), funds paid have been minimal. It was agreed that this amount should be held in reserves until such time as the reserves are depleted. When that occurs, additional funds can be proposed for future Council consideration to support affordable housing initiatives.

Recommendation j:

THAT Council amend the draft 2024 budget to remove the Affordable Housing Grant from the Planning draft operating budget in the amount of \$50,000 for 2024

k) Planning and Engineering Fees

Generally, fees charged by the Municipality are expected to be the cost of providing the service – as full cost recovery. Reasonable estimates of volumes of building permits, planning applications and other fees, such as engineering fees, are made each year as a forecast of revenue for the Department. As part of the Department's budget, expenditures such as the cost of salaries, benefits, professional expenses, vehicles and insurance are also part of the overall Departmental budget. These costs are expected to balance with the revenue generated by the Department and should not be derived as a surplus of revenue over the operating expenses of the Department. While efforts are made to ensure cost recovery for the Department, overall, the Development Services and Engineering Department is not intended to be a profit centre for the Municipality.

Building Services Branch

Revenue from building permit fees is used to offset the expenditure of operating the Building Services Branch. Surplus revenue is required to be placed in a reserve account (as per legislation) with the expectation that it be used to offset future shortfalls in revenue for the Building Services Branch.

Planning Services Branch

Revenue from Planning Act applications is also used to offset the cost of operating the Planning Services Branch. Over the past year, Planning Services has undertaken a fee review to determine the most appropriate fees for planning applications, also with the lens of full cost recovery. Engineering fees were not included as part of this work; as noted below, new engineering fees were introduced in 2023.

As a result of this work, staff have proposed an increase to many of the planning application fees in 2024 to ensure full cost recovery. Based on the five-year average of planning applications and the proposed 2024 planning application fees, Planning Services is estimating the planning application fee revenue for 2024 of \$200,000.00.

Engineering Services Branch

In 2023, specific engineering fees were introduced in two main areas: engineering fees related to planning applications and engineering fees for the new Consolidated Linear Infrastructure – Environmental Compliance Approval (CLI – ECA) process that was delegated to the Municipality by the Ministry of Environment, Conservation and Parks.

Again, based on the five-year average of planning applications using the new (2023) engineering fees, Engineering Services is estimating engineering fee revenue for 2024 of \$150,000.00. This does not include any fees associated with the CLI-ECA process

because this is a new process and the Department has no previous figures to estimate the amount of CLI-ECA applications for 2024.

Engineering fees collected would relate directly to engineering services provided, either by a staff person or a third party professional. As such, the estimated revenues of \$150,000 are contingent on the Municipality's ability to deliver said services. Long term planning for the Development Services team includes consideration of additional staffing. The additional staff being a Manager of Engineering Services. Should this position be filled, the incumbent would have capacity to perform engineering services such that third party consultants would not be required. In the absence of this staff person, we estimate that 50% of the engineering fees charged would be outsourced to a consultant, and that current staff could facilitate the remainder of the work to support the fees charged. Both of these approaches have risk in that the developer applications do not materialize and the Municipality's ability to deliver could be impacted by recruiting success or engaging consultants. As such, we propose two options for Council's consideration.

Option E: utilize consultants to complete engineering work needed in excess of current staff capacity, thereby increasing Engineering Fees revenue from \$40,000 to \$150,000 and increasing Other Professional Fees expenses from \$7,725 to \$82,725 in the 2024 budget.

Option F: direct staff to present a report proposing the addition of a Manager of Engineering Services, thereby increasing Engineering Fees revenue from \$40,000 to \$150,000 and increasing Salaries and Benefits costs in the Development Services and Engineering department by \$110,000 in the 2024 budget.

Recommendation k:

THAT Council amend the draft 2024 budget to increase the draft Revenue budget for planning fees from \$127,740.24 to \$200,000 based on revised estimates and calculations;

AND THAT Council amend the draft 2024 budget to include Option E to increase Engineering Fee Revenues by \$110,000 and increase Other Professional Fees by \$75,000 for a net increase in revenues of \$35,000.

I) Ontario Municipal Partnership Funding - Paving Projects

Hardtopping and paving projects proposed for 2024 amount to \$2,615,732. After grant funding, the budget tabled on September 26, 2023 proposed that the remainder being \$929,684 be financed with debt. The annual debt payment amortized over 20 years is estimated to be \$86,493.

Since that presentation, we have learned that funding from the Ontario Municipal Partnership Fund (OMPF) will be \$990,300, which is \$48,900 higher than originally budgeted in the draft capital budget.

There is a projected balance of \$126,855 in the Transportation reserve as of the end of 2024.

There is a projected balance of \$5,732,962 in general stabilization reserves as of the end of 2024. The 2024 budget proposes a relatively significant depletion of reserves; using reserves to fund capital projects will further reduce reserves. More detail about reserves can be found in section 18. below.

At the time of writing this report, debt financing through Infrastructure Ontario can be secured for less than 5.5%. Investment returns on the Municipality's high interest savings account are 5.75%.

Recommendation I:

THAT Council direct staff to apply an additional \$48,900 in grant funding from Ontario Municipal Partnership Funding to offset the amount proposed to be borrowed for paving projects thereby reducing debt requirements in the draft capital budget for hard topping and paving to \$880,784.

m) 2024 Capital Projects

Below is further information related to each of the infrastructure projects and purchases under consideration for deferral.

Because we expect completion of these projects later in 2024, and loans are not normally finalized until the end of the year, debt payments for 2024 projects are not included in the 2024 budget but will impact 2025 operating costs and taxation.

However, other risks associated with deferral include:

- increased costs in subsequent years due to inflation;
- borrowing may be at a higher or lower rate in future years;
- other projects slated for the future may then need to be deferred
- risk of failure of assets and loss or disruption of service

The Municipality's long term financial plan considers timing, replacement needs, and other asset related investments over a period of years. The budget difficulty with deferring purchases identified in the long term financial plan is that a) inflationary pressures will result in increased costs in the future, and b) the financial investment required in future years will be higher than originally planned – or alternatively, other projects must be deferred.

Loader: it is highly recommended that we replace this asset in 2024 to ensure continuity of service.

Grader: a grader replacement was deferred in 202x and while repairs were made it has already been deferred and the replacement is required as the asset is at its end of life.

Pakenham Salt Shed: this project could be deferred as it has undergone recent repairs. Please see notes above related to the impact of deferral. This project was projected for 2024 in the LTFP.

Mercer/Marshall: the project is comprised of road works, storm sewer, culvert, and water and sanitary works. The full budget for the project, \$2,238,079, is as follows:

Transportation	Water & Sewer	Total
Roads - \$688,079 Culvert - \$150,000 Storm Sewer - \$500,000	Sanitary & Water - \$1,000,000	
Total - \$1,338,079	Total - \$1,000,000	Total - \$2,338,079

Note that if the roads portion of the project does not proceed, we do not recommend reducing the roads budget but instead proceeding with the next roads on the priority list.

There are a number of options for Council to consider:

Option A: Borrow \$650,000 for the transportation portion of the project for a term of 15 years at an estimated annual cost of \$70,109 from the Transportation budget, and borrow \$1,000,000 for the water and sewer portion of the project for a term of 25 years at an estimated annual cost of \$84,813 from the Water & Sewer budget.

Option B: Investigate the feasibility of funding part or all of the project through a community improvement levy – please see Attachment 2 Local Improvement Charges for further information.

Option C: Budget for annual contributions to reserves for four years, in the amount of \$162,500 per year for the culvert and storm sewer portion, and \$250,000 per year for the Water & Sewer portion, and schedule the project when the full value of the project is available in reserves.

Option D: Defer the project for future consideration

Class EA & Southern River Crossing: this project could be deferred until the water/wastewater master plan is completed and a timeline is set by this master plan.

Below is a summary of projects, listed in order of priority for the 2024 budget based on staff's assessment and comments above.

Project / Purchase	Total Principal amount of loan	Amortization of loan	Budgeted debt repayment per year in 2025 (principal & interest)
Loader	\$240,000	15 years	\$25,886
Grader	\$410,000	15 years	\$44,222

Mercer/Marshall storm sewer	\$500,000	25 years	\$42,407
Mercer/Marshall culvert	\$150,000	25 years	\$12,722
Mercer/Marshall sanitary & water*	\$1,000,000	25 years	\$84,813
Pakenham Salt Shed	\$280,000	20 years	\$25,625
Southern River Crossing Class EA & Design*	\$540,000	10 years	\$75,238
Subtotal			\$310,913

**water & sewer items – not part of tax levy*

To better support future planning, below is a 5 year summary of debt payments if all projects proceed as budgeted.

	2024	2025	2026	2027	2028
Transportation	\$667,550	\$623,208	\$523,415	\$523,415	\$454,249
Transportation – new items proposed		\$642,254	\$642,254	\$642,254	\$642,254
Transportation – Total	\$667,550	\$1,265,462	\$1,265,462	\$1,265,462	\$1,096,503
Water & Sewer*	\$793,056	\$793,056	\$789,960	\$789,960	\$789,960
Water & Sewer* – new items proposed		\$328,342	\$328,342	\$328,342	\$328,342
Water & Sewer* - Total	\$793,056	\$1,121,398	\$1,118,302	\$1,118,302	\$1,118,302

Loader Replacement

Recommendation m.a.

THAT Council amend the draft capital 2024 budget to include the replacement of the Loader, in the amount of \$240,000, funded by debt financing.

Grader Replacement

Recommendation m.b.

THAT Council amend the draft 2024 budget to include the Grader, in the amount of \$410,000, funded by debt financing.

Mercer/Marshall Project

Recommendation m.c.

THAT Council amend the draft 2024 budget to include Option A related to the Mercer/Marshall project, to borrow a total of \$1,650,000 for the culvert, storm sewer, and water and sanitary works.

Pakenham Salt Shed

Recommendation m.d.

THAT Council defer replacement of the Pakenham Salt Shed until we have our next facilities review.

Southern River Crossing

Recommendation m.e.

THAT Council defer the Southern River crossing Class EA and Design until receipt of the Water & Wastewater Master Plan in 2024 and consider this project in 2025 budget deliberations.

n) New Fire Truck

Below is further information related to the purchase of the fire truck being considered for deferral. Deferral of projects or purchases will have a short-term positive impact on the Municipality's 2025 budget. Because we expect delivery later in 2024, and loans are not normally finalized until the end of the year, no debt payments were incorporated into the 2024 budget. However, risks associated with deferral include:

- increased costs in subsequent years due to inflation;
- borrowing may be at a higher or lower rate in future years;
- other projects slated for the future may then need to be deferred

Project / Purchase	Total Principal amount of loan	Amortization of loan	Budgeted debt repayment per year (principal & interest)
Fire Truck	\$644,400	15 years	\$59,952*

*note that the principal and payment amounts are net of Development Charges (DCs). The full cost of the truck is estimated to be \$900,000, of which 28.4% is DC eligible.

Recommendation n:

THAT Council amend the draft 2024 budget to include the purchase of the new fire truck, in the amount of \$900,000, to be funded by debt financing.

o) Policing

In the tabled 2024 Budget, the OPP contract was estimated to be \$1,930,407.

The Municipality subsequently received its 2024 contract billing amount being \$1,873,818 plus \$19,718 related to a 2022 year end adjustment.

This full billing amount of \$1,893,536 was added to the updated budget presented October 12, 2023.

The annual budget for Police services includes the OPP contract and some other expenses which total \$11,204:

Other Honorariums	1,000.00
Other M & S	780.00
Telephone	669.50
Travelling Expense	2,060.00
Association & Convention	6,695.00

From 2020 to 2022, on average, \$2,188 of this budget was expended. Details can be found in Reference Binder # 2. We expect additional training costs in 2022, and as such staff are not recommending changes to the Other Costs in the Police budget.

Reserves are available for Police Services in the amount of \$247,194; as such the 2022 amount of \$19,718 could be drawn from reserves to fund this portion of the billing.

The Police Levy is separate from the municipal levy and any changes to the budget or spending do not affect the proposed 3.5% municipal tax rate increase.

The overall tax bill for residents of Mississippi Mills is comprised of Municipal taxes, Police levy, County taxes, and School taxes.

Given this information, the following options are presented for Council's consideration:

Option G: draw \$19,718 from the Policing reserves to pay for the 2022 billing update, and apply the associated savings of 0.176% to the Municipal tax rate, thereby increasing it to 3.676%.

Option H: draw \$19,718 from the Policing reserves to pay for the 2022 billing update, and reduce the Policy levy by 0.176%.

Option I: make no changes to the budget, and apply police surplus to the Policing reserve to be considered for utilization in 2025.

Below is a chart depicting 2023 budget and 2024 budgeted levies and the net impact, based on \$100,000 in assessed value.

	Municipal Tax	Policing Tax	County Tax	Education Tax	Total
2023	\$481.67	\$82.53	\$388.88	\$153.00	\$1,106.08
2024 proposed	\$498.53	\$80.74	\$397.83	\$153.00	\$1,130.10
2024 Option G	\$499.37	\$79.91	\$397.83	\$153.00	\$1,130.10
2024 Option H	\$498.53	\$79.91	\$397.83	\$153.00	\$1,129.26

2024 Option I	\$498.53	\$80.74	\$397.83	\$153.00	\$1,130.10
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Recommendation o:

THAT Council direct staff to include Option I in the 2024 draft policing budget, to maintain the revised budget as presented for the OPP contract on October 12 in the amount of \$1,893,536.

p) Community Services

Tennis Court Renewal Project and Curling Rink Chiller Project

- Capital:
 - \$450,000 tennis court renewal
 - \$150,000 curling rink chiller
- Operating:
 - \$33,913 Museum funding increase
 - Request for funding from North Lanark Regional Museum for \$6,190
 - \$5,000 Youth center funding increase
- Other considerations:
 - \$160,000 John Levi Center chiller and condenser
 - \$33,500 in other community supports (\$3,500 for Mills Community Home Support, \$10,000 for Mills Community Support – Seniors Programming, and \$20,000 for the Ramsay Recreation Facility)

a. Details related to cost of operating curling club:

	2024 Budget	Cost per user (300 users)	Cost per household (6,608)	Net impact on tax levy
Revenues:				
Food & Beverage Sales	(\$39,717)	(\$132)	(\$6)	(0.35%)
Lounge, Ice Rentals	(\$34,639)	(\$115)	(\$5)	(.31%)
Total Revenues	(\$74,356)	(\$248)	(\$11)	(0.66%)
Expenses :				
Facility Operating Costs (insurance, utilities)	\$58,180	\$194	\$9	0.52%
Facility Maintenance	\$27,325	\$91	\$4	0.24%
Curling Bar	\$29,402	\$98	\$4	0.26%
Total Expenses	\$115,008	\$383	\$17	1.03%
Net Annual Expenses (before loan)	\$40,652	\$136	\$6	0.36%

New Loan (20 years at 7%)	\$60,473	\$202	\$9	0.54%
New Annual Contribution from Curling Club	(\$5,000)	(\$17)	(\$1)	(0.04%)
Total annual cost (with loan)	\$96,125	\$320	\$15	0.86%
Full cost of chiller	\$700,000	\$2,333	\$106	

Tennis Court Renewal Project

Recommendation p.b

THAT Council defer the tennis court renewal project pending receipt of the Community Services Master Plan..

Curling Rink Chiller Project

Recommendation p.b

THAT Council defer the request for an additional \$150,000 for the curling rink chiller project in the 2024 draft budget pending receipt of the Community Services Master Plan.

Museum Funding :

A report will be brought to Council related to Museum Funding. Until Council has reviewed this report and received the Community Services Master Plan, it is proposed that annual funding be maintained at historical levels with a standard inflationary increase of 3%.

Additionally, as identified in the October 12, 2023 staff report, the North Lanark Regional Museum has requested one-time funding from the Municipality in the amount of \$6,190 to offset unexpected costs related to its water supply. No funds have been included in the budget at this time. The museum had budgeted to install a submersible pump in 2023, however once the work began it was determined that additional work to immediately install a well was required. The NLRM requests that the Municipality provide support for the additional and unplanned work, as the Municipality owns the land that the museum occupies.

Recommendation p.c

THAT Council amend the draft 2024 budget to include the Museum funding equivalent to 2023 budgeted amounts plus 3% pending receipt of the Community Services Master Plan;

AND THAT Council amend the draft 2024 budget to include the one time capital request from North Lanark Regional Museum in the amount of \$6,190.

Youth Center Funding

See Attachment 3 being a proposal and presentation from the Youth Center related to the increase in requested funding from \$30,000 per year to \$45,000 per year. In the 2024 proposed budget, \$35,000 was entered as a placeholder to facilitate discussion related to the grant provided to the Youth Center

Recommendation p.d

THAT Council amend the draft 2024 budget to include Youth Center funding of \$35,000, with future consideration for additional increases pending receipt of the Community Services Master Plan.

John Levi Centre Chiller and Condenser

Recommendation p.e

THAT Council amend the draft 2024 budget to include capital expenditures of \$160,000 for the John Levi Center chiller and condenser as proposed in the draft 2024 capital budget.

q) Events Coordinator

Two positions were discussed during the Economic Development presentation.

- a. Events Assistant – part time positions intended to provide stability and continuity in staffing and presence at community events, especially those held on evenings and weekends. No new funding is requested for this position, as budgeted events generally include a labour component. The proposed change would see the use of the budgeted funds shift toward this position and away from casual staff.

Within the Recreation budget, as detailed in Reference Binder # 2, there is a total of \$6,242.40 budgeted for labour related to events in Almonte and Pakenham for 2024.

- b. Recreation Programmer – shared position between Recreation and Economic Development. Discussion at the October 12, 2023 budget meeting provided detail related to this position and the benefits it will bring to the Municipality in supporting events, tourism, and recreation. As the Municipality invests in and supports more community events and programs, the tasks associated with planning, advertising, hosting, set-up, and clean-up related to community engagement have increased considerably. Filling this position will also allow management more time for strategic work and planning especially in relation to the recommendations in the Community Services Master Plan and the Economic Development Plan. The position is brought forward in accordance with the approved organizational chart and timing for introduction of this role. In error, the funding for this position was omitted from the September 26 tabled budget. In

the revision presented November 14, the position will be added. The pay for this position is estimated at \$60,000 per year plus benefits.

Recommendation q:

THAT Council amend the draft 2024 budget to allocate the \$6,242.40 budget for labour related to events in Almonte and Pakenham for 2024 toward part-time casual Events Coordinator positions;

AND THAT Council amend the draft 2024 budget to include the Recreation Programmer position in the 2024 budget, with 50% of the costs to Recreation and 50% to Economic Development.

r) Downtown Heritage Streetlights

There are 19 heritage streetlights in the downtown core. A number of them are in very poor condition. In the Economic Development budget, \$24,000 was requested to paint the posts in 2024. Painting the posts would provide short term esthetic improvements to the lights.

The cost in 2023 for replacement of one of the lights is \$9,609; as such replacement of all 19 would be \$182,571.

Staff has identified the following alternatives and options for Council's consideration:

Option J: do not approve the expenditure or paint or invest in improvements to the lights, and direct staff to seek out grant funding for this project should it become available.

Option K: approve the proposed budget of \$24,000 and direct staff to proceed to have the lights painted as recommended.

Option L: approve the proposed budget of \$24,000 and direct staff to proceed to replace two of the lights based on condition, with an annual investment in subsequent years to replace lights as approved.

Option M: do not approve the expenditure and direct staff to have students spray paint the lights at a much reduced cost.

Option N: change the value of the capital project to \$200,000 to replace all of the 19 heritage street lights in 2024.

Recommendation r:

THAT Council amend the draft 2024 budget to include Option L, being \$24,000 to replace two (2) downtown heritage streetlights.

s) Corporate Services Reserves

The budgeted reserve contribution in Corporate Services, being \$113,024 for 2024 was created using

2023 budget	Internal financing (parks & rec) – charged to recreation budget in 2024 budget	\$36,030
	Final budget update – bank interest revenue	\$46,250
	Elections	\$15,000
	TOTAL	\$97,280
Plus 2024 budget additions	Inflationary increase	\$644
	Election	\$15,000
	TOTAL	\$113,024

Upon review of the calculation and historical contributions, we can confirm that:

- The election contribution was duplicated, overstating the reserve by \$15,000
- The parks & recreation internal financing is accounted for in the parks & recreation budget in 2024 and does not need to be duplicated in the corporate services budget
- The remaining amounts are not specified but intended to be added to the Municipality's stabilization reserve

It should also be noted that staff have previously presented that any compensation increases related to collective bargaining that are over and above the 2% assumed in the budget, as well as approved market salary adjustments and pay equity payments, are recommended to be drawn from reserves.

As such, Council is provided with the following options.

Option O: make no changes to the budgeted reserve, such that \$15,000 is allocated for elections, and \$97,924 to general stabilization reserves.

Option P: reduce the budgeted reserve to \$15,000 for elections only.

Option Q: reduce the budgeted reserve to \$75,000, such that \$15,000 is allocated for elections, and \$50,000 to general stabilization reserves.

Recommendations

THAT Council direct staff to include Option O in the 2024 draft budget, such that the Corporate Services transfer to reserves for 2024 is maintained at \$113,024.

t) Long Term Disability Premiums

In the September 26, 2023 budget tabling presentation, a number of human resources considerations, strategies, and investments were introduced for consideration, although

they were not included in the tabled budget. Before concluding budget deliberations, staff would like to bring these matters back for consideration.

- a. 2024 Bargaining: an assumption of 2% for salary increases was used in preparing the budget. Any variation from that amount pending the results of collective bargaining are not budgeted and will impact reserves.
- b. Market salary updates: on November 21, a report will come to Council including recommendations related to market salary updates and pay equity. Nothing has been budgeted and the resulting costs, if any, will impact reserves unless otherwise directed by Council.
- c. Other proposed benefits enhancements: part of the market salary benchmarking includes consideration of benefits enhancements. Nothing has been budgeted and the resulting costs, if any, will impact reserves unless otherwise directed by Council.
- d. LTD coverage increase from 50% to 100%: the annual cost of increasing the Municipality's coverage of LTD premiums for staff is estimated at \$86,000.

Recommendation t

THAT Council amend the draft 2024 budget to include increasing the Municipality's portion of coverage for staff Long Term Disability premiums from 50% to 100%.

u) Reserves Stabilization and Tax Rates

The 2024 budget tabled on September 26, 2023, while proposing a tax rate increase of 3.5%, includes a draw from stabilization reserves in the amount of \$411,688 to offset inflationary and other increases in operating costs. Revisions made since the budget was tabled are detailed in section 22. below, resulting in an increase to the draw from reserves of \$109,148 to a total of \$520,837.

Reference binder # 2 contains a summary of reserve utilization for 2024 which, across all programs and departments, depicts a net draw from reserves of over \$3,500,000. Of this, roughly \$2,600,000 relates to water & sewer, and \$800,000 to other Municipally funded programs.

Reference binder # 2 also contains some benchmarked ratios related to reserves, up to 2021. At that time, reserves and discretionary reserves as a % of Municipal expenses was 86.4%, and the average among comparator municipalities was 89.3%. The Ministry deems a ratio higher than 20% to be low risk.

As Council works to make decisions about the 2024 budget, certainty should be established around the use of reserves and the associated tax rate increase. The options below are provided for consideration and discussion.

Option R: determine that the draw from reserves in the 2024 budget should be exactly \$520,837, and that any increased spending or decreased costs will directly impact the tax rate.

Option S: determine that the tax rate increase in the 2024 budget should be exactly 3.5% (or some other agreed upon rate) and that any increased spending or decreased costs will directly increase or decrease the required draw from reserves, respectively.

Option T: determine that the draw from reserves in the 2024 budget should be no more than \$520,837, and that any increased spending will directly impact the tax rate, and any decreased spending will reduce the required draw from reserves.

Recommendation u:

THAT Council direct staff to reflect Option T in the draft budget whereby no more than \$461,430.22 shall be drawn from stabilization reserves in the 2024 budget, and additional spending in excess of this amount be applied to the tax rate.

v) Conclusion

Changes and updates that have been made since the tabling presentation, until the date of this report, are summarized below:

Binder Reference Document(s)	Department	Rationale	Financial implications – Savings (spending) as compared to the September 26, 2023 tabled budget
2024 Summary, Schedule A, Schedule B, Water & Sewer, Binder 1 page 49	Water & Sewer	Duplicated project removed from tabled budget	\$60,000
2024 Summary, Schedule A, Schedule B, Police	Police	Updated OPP contract cost	\$36,871
2024 Summary, Schedule A, Schedule B, Protection	Protection	Updated by-law enforcement contract	(\$49,742)
Corporate Services	Corporate Services	Addition of Jr. Communications Administrator and reduction of advertising costs	Nil

2024 Capital, Schedule B	Fire	Change of funding requirements for fire truck to include DC eligibility	Nil
2024 Capital, Schedule B	Recreation	Change of funding for curling rink chiller from grant to debt	Nil
Summary, Schedule A, Schedule B, Recreation Summary, Recreation, Economic Development	Recreation/ Economic Development	Addition of Recreation Programmer Position	(\$75,000)
Summary, Schedule A, Schedule B, Transportation, loans summary	Transportation	Update of borrowing rates for downtown core and 2023 paving projects; correction of error in loan schedule re: downtown core	(\$74,806)
Water & Sewer, loans summary	Water & Sewer	Correction of error in loan schedule re: downtown core / offset against contribution to reserves	\$138,897
Summary, Schedule A, Schedule B, Revenue	Revenue	Addition of OPRC rental income	\$90,400
TOTAL	Municipal Services		(\$109,148)
TOTAL	Water & Sewer		\$198,897
TOTAL	Police Levy		\$ 36,871
TOTAL	2024 Budget		\$126,620

OPTIONS:

Options are provided in the body of the report under each item's discussion. In instances where information is provided with limited options, or for information only, the item is presented without any associated options, and a single recommendation for Council's consideration.

FINANCIAL IMPLICATIONS:

Motion #	Description	Cost of item (not amended)	Savings (spending) as compared to the September 26, 2023 tabled budget	Reduction (increase) in debt financing
1	HAF - information	\$ -		
2	asset management plan - information	\$ -		
3	cash in lieu of parkland - information	\$ -		
4	insurance - information	\$ -		
5	reserves - information	\$ -		
6	update cost of borrowing for 2022/23 projects*		\$ (74,806)	
7	approve application for SaveOn Energy rebates for LED lighting	\$ 55,000		
8	move expenses from capital to operating budget	\$ 170,950	\$ (10,000)	
9	update re: ORPC lease revenue*		\$ 90,400	
10	remove affordable housing grant		\$ 50,000	
11	increase revenue budget for planning fees		\$ 72,260	
11	increase revenue budget for engineering fees		\$ 110,000	
11	increase prof services engineering fees expense		\$ (75,000)	
12	update grant funding			\$ 48,900
13a	approve replacement of loader	\$ 240,000		
13b	approve replacement of grader	\$ 410,000		
13c	approve Mercer/Marshall water, sewer, and culvert	\$ 1,650,000		
13d	defer replacement of Pakenham Salt Shed			\$ 280,000
13e	defer Southern River Crossing Class EA & Design			\$ 540,000

14	approve purchase of fire truck	\$ 900,000		
15	approve paying for 2022 OPP contract from operating	\$ 19,718		
16a	defer tennis court renewal			\$ 450,000
16b	Defer curling rink chiller additional funds			\$ 150,000
16c	approve Museum funding at 2023 + 3%		\$ 33,913	
16c	approve one-time NLRM funding request		\$ (6,190)	
16c	approve \$5,000 increase to Youth Center funding	\$ 35,000		
16d	approve John Levi Center chiller	\$ 160,000		
17	approve recreation programmer	\$ 75,000		
18	purchase vs. repair lights	\$ 24,000		
19	approve transfer to reserves	\$ 113,024		
20	approve LTD premiums from 50% to 100%		\$ (86,000)	
TOTAL			\$ 88,983	\$ 1,420,000
21	reduction of transfer from reserves		\$ (88,983)	

**note – these items are included in the November 14 budget update*

STRATEGIC PLAN

This report is formatted to identify budget priorities related to each of Council's 6 strategic priorities.

PUBLIC ENGAGEMENT

Following finalization of the 2024 budget, it will be published on the Municipality's website for public review.

SUMMARY:

This report provides updates and details related to the 2024 budget following the September 26, 2023 budget tabling, and the October 10 and 12, 2023 budget presentations.

The options provided in the report for Council's consideration include decision making related to:

- Engineering department fees & professional services
- Mercer/Marshall storm sewer, water & sanitary
- Police levy & use of reserves
- Downtown heritage streetlights
- Budgeted corporate services contribution to reserves
- Draw from reserves vs. increases to tax rate

The recommendations in the report for Council's consideration include decision making related to:

- Various capital purchases including loader, grader, roads hardtopping, fire truck, tennis court renewal, curling rink chiller, John Levi Center chiller & condenser
- Various grants and funding including those related to Community Services Master Plan
- Policing levy
- Staffing including events coordinator and recreation programmer
- Moving various expenditures from the capital budget into the annual operating budget including those related to waste management, water & sewer, public works beautification, and recreation
- Insurance mitigation strategies

The information items included in this report are:

- Housing Accelerator Fund grant application
- Debt servicing costs for 2022 and 2023 projects
- Eligible projects for cash in lieu of parkland
- Asset Management Plan and Long Term Financial Plan

This report aims to provide quantitative and qualitative information about details pertaining to the proposed 2024 budget. Staff welcomes questions and comments related to the data and considerations provided in this report. Next steps involve taking input and direction from this Special Budget Meeting to define the final draft budget for Committee of the Whole to review on December 12, and potentially recommend to be brought to Council for approval on December 19.

Respectfully submitted by,

Reviewed by:



Kathy Davis,

Ken Kelly,

Director of Corporate Services, Treasurer

CAO

Andrew Hodge,
Deputy Treasurer

ATTACHMENTS:

1. FIN-07 Reserve Policy
2. Local Improvement Charges
3. Youth Center Presentation and Proposal



RESERVE POLICY

WHEREAS Council has an obligation to maintain reserves at an appropriate level to ensure future liabilities can be met, capital assets and infrastructure are properly maintained or replaced, and to provide sufficient financial flexibility to respond to economic cycles or unanticipated financial requirements;

AND WHEREAS the sustainability of the Municipality's programs and the future replacement of assets and infrastructure requires planned contributions to reserves in the annual budget to achieve appropriate levels of reserves;

NOW THEREFORE Council hereby approves the following policy with respect to reserves:

	Stabilization Reserves	Program Specific Reserves	Capital Reserves
Definition	Established to prevent significant fluctuations in the general tax levy and to help the Municipality manage its cash flows by providing a source of funding to offset extraordinary and unforeseen expenditure requirements, one time	Established in response to a need for funding of specific programs.	Established to assist in financing the capital program. As new capital assets are acquired the reserve should increase to assist in planning for future replacement in order to reduce reliance on long term financing.

	expenditures, revenue shortfalls and to provide for various contingent and potential future liabilities.		
Funding Sources	Shall be funded from annual operating surpluses. Year end operating deficits shall be funded from the stabilization reserve.	Shall be funded from operations provided there is a financial plan supporting the need for the reserve. A review shall be conducted annually to ensure adequate funding exists to sustain the program to which the reserve relates. At the conclusion of the program or if the program is not proceeding, the reserve shall be closed and any balance shall be transferred to the stabilization reserves.	Shall be funded through: <ul style="list-style-type: none"> a. Calculated annual contributions from the operating budget based on capital replacement, rehabilitation costs and lifecycle costs. As a minimum this amount should be equal to the annual depreciation amount calculated on the Municipality's assets. b. Net proceeds from the sale of assets and c. Unspent capital in any given year provided the Municipality is in a surplus position.
Target Levels	Target level is 15% of tax revenues. Once the stabilization reserve level is met, the operating surplus shall be transferred to capital reserves.	Not applicable	The target level for the capital reserves shall be calculated based on the replacement value of the inventory of the Municipality's capital assets taking into consideration the condition of the assets, their useful life and their anticipated disposal value.

Uses	Shall only be used for extraordinary type expenditures including previous years' operating deficits and one time expenditures as approved by Council.	Shall only be used for the program the reserve was set aside for.	Shall only be used to fund the replacement and rehabilitation of the Municipality's assets.

REVIEW

This policy shall be reviewed every five (5) years or as Council deems appropriate.

Local improvement charges

Learn about local improvement projects and how municipalities and property owners may pay for them.

Overview

Municipalities may undertake certain municipal capital projects as local improvements. These projects may include:

- installing street lights
- constructing sidewalks or curbs
- roadway reconstruction, such as repaving
- installing water and wastewater infrastructure
- constructing traffic calming features, such as speed bumps

Municipalities may be able to recover all or part of the cost of these projects through local improvement charges on properties that benefit from the work. For example, improvements to sidewalks or installing speed bumps may benefit properties by making an area safe for residents and pedestrians.

Identifying projects

New or ongoing projects that qualify for local improvement charges can be identified by:

- the municipal council
- the Province

- property owners
 - other sources
-

Notifying property owners

Before undertaking a local improvement project, the municipality must notify the public and affected property owners. The notice may include information about how to petition against a project.

Petitions

You can petition to stop a proposed local improvement project if you are an affected property-owner and you do not want the improvements.

The municipality's notice may contain details about how to petition the project.

If a municipality receives a sufficient number of petitions against starting a project, it may, among other things:

- cancel the project
 - apply to the Local Planning Appeals Tribunal (<http://olt.gov.on.ca/tribunals/lpat/about-lpat/>) for approval to move ahead
-

Payments

If the project goes ahead, municipalities can often spread the cost of the improvements over several years. This helps to reduce the annual payment property owners must make.

If you are a property owner paying local improvement charges and you sell your property before the local improvement charges are fully paid off, generally, the new property-owner must make the rest of the payments.

Working together

Municipalities also work with willing property owners to make local improvements on private property. For example, a municipality may encourage the use of solar power by entering into an agreement with property owners to install solar panels on their homes. The property owners could pay off all or part of the cost of the panels through local improvement charges.

As a property owner you can propose local improvement projects to your municipality. However, municipalities have no obligation to undertake these works.

Related

Municipal guides and programs (<https://www.ontario.ca/page/municipal-guides-and-programs>)

Regulation on local improvement charges (<https://www.ontario.ca/laws/regulation/060586?search=586%2F06>)

Updated: July 13, 2021
Published: May 16, 2019



Mississippi Mills Youth Centre In Our Community

Municipal Contribution Increase Request
14 June 14, 2023

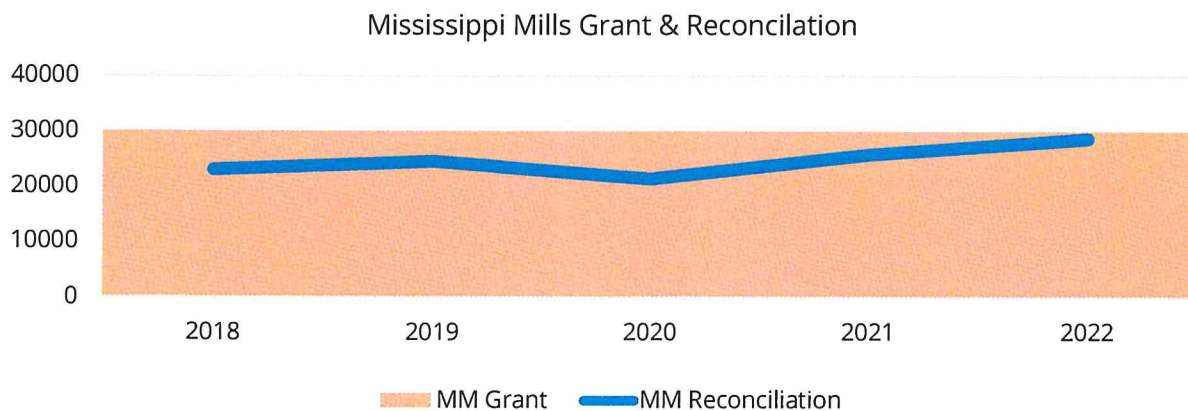
Presented by the MMYC Board of Directors

Mississippi Mills Youth Centre In Our Community

Since 2016, the Mississippi Mills Youth Centre, located at 134 Main Street East, Almonte, has worked hard to create a youth centre for our local youth's (ages 10-18) diverse needs and interests. With the help of our community partners, volunteers, and donors, we host many year-round programs, activities, and events for free or low-cost. Our programming includes photography, gardening, cooking, and so much more.

Each year, the centre welcomes more members into its fold. In the last two years alone, our membership has increased by 19% and their participation by 16%. This means we're serving more local youths more often.

Mississippi Mills Municipality has generously supported the MMYC since the beginning with a donation of \$30,000, which covers the cost of our rent and some programming. Since the cost of everything has increased, so have MMYC's expenses (rising rent, utilities, insurance, and staff wages). By next year, the MM Grant will not cover what it currently covers, leaving MMYC with a gap in reconciliation.



As expressed above, the gap between the grant and our reconciliation is getting smaller and smaller each year. To help us stabilize and plan for the future, we're asking for an additional \$15,000.00, bringing the MMYC's annual grant to \$45,000.

What our members have to say about MMYC

- 100% have all the appropriate materials and supplies for the program.
- 98% rate the program as very good or extremely good.
- 98% have a very good or extremely good experience with youth centre staff.
- 93% have a very or extremely positive experience with our programs.
- 92% feel connected to staff and youth in the program.
- 89% develop a new skill.
- 87% feel as though the program built their self-confidence.
- 84% state that the programs help them feel less isolated or alone.

Visit mmyc.ca for information on programs and more.

October 29, 2023

To: Mississippi Mills Town Council

Subject: Budget 2024-2025 and Capital Funding for the Replacement of the Almonte Curling Club Ice/Refrigeration System

Issue

- The ice/refrigeration system at the Municipality-owned facility at 160 Bridge Street is nearing the end of its life cycle and needs to be replaced. Council is finalizing decisions for the 2024-2025 budget, which includes a request for Council approval of \$700,000 (over 20 years) for the ice/refrigeration system replacement.

Some Facts About the Almonte Curling Club (ACC)

Founded in 1855, the Almonte Curling Club (re: the Club for short) is one of the oldest and continuously running curling clubs in Canada and North America.

The Club has a committed membership and leadership group and has established a growth trajectory in attracting new members over the past several years.

- there are currently over 300 members, which represents a 15% increase over 2022. This number does not include curling facility rentals such as the Celfest bonspiel, other private curling bookings, Christmas parties, etc.
- the age of Club members ranges from 6 to 85 years old, with both our youth and “U5” programs also showing solid growth over the past few years (U5 are new curlers with less than 5 years experience)
- more than 400 guests visit our club per month (visitors include the Parents and Guests of members, including our young curlers, members of the Ottawa Valley Curling Association, members from our Valley Pizza League and members from the Diamond League which includes curlers from Perth, North Grenville, and Smith Falls, as well as privately organized bonspiels such as the Celfest Fundraiser)
- the facility and Club are active yearly from October thru April, roughly 12-14 hours per day, six to seven days per week, morning, afternoon and evening. Facility and rink usage has also increased over the past few years. The facility has a 2800+ person usage per month with room to further grow.

In addition, the Club has increased membership fees for the year 2023-2024, to \$455 on average per season. A significant portion of this increase is earmarked as funding for our commitment to a contribution towards the capital costs associated with this new ice plant.

Further, it is believed the Club will continue to experience continued growth based on the forecasted expansion of the Mississippi Mills population, as well as the success of the Club’s youth and U5 programs along with the growth of curling in general.

Direct Economic Considerations for Mississippi Mills

The Club provides direct funding to the Town of Mississippi Mills for its use of the facility.

- it pays \$35,000 per year in annual lease costs; and
- under its current mandate, it has committed a further \$5,000 per year over the next 10 years to support this equipment capital cost.

In addition, while the facility is owned by the Municipality, as a tenant in good standing, the Club:

- has paid for capital repairs in the past, including the painting of the lounge and significant upgrades to the kitchen; and
- recently our board has approved a \$15,000 leasehold improvement from its own capital account to pay for new flooring for the main Lounge area.

Benefits to the Broader Almonte Community

The Club also provides benefits beyond curling to its membership and to the broader Mississippi Mills community.

- curling is an affordable sport for children and young adults.
- as part of the Club's youth program, the Club is expecting 110 school students in 2023 to introduce them to curling (This is an annual activity coordinated with local schools)
- the Club is a valuable social and physical activity for many area residents, and further provides many of our local seniors with the mental health benefits that come from sporting and socializing with members of their community.
- in 2022, the Club raised \$1,800 for the Lanark Food Bank
- in 2022, a bonspiel on behalf of International Women's Day generated close to \$2100 for Lanark County Interval House.
- the Club has committed to raising \$30,000 in contributions to the Almonte General Hospital over the next few years, and to date, the Club has raised over 50% of this goal.
- the Club generates economic spin-offs for local businesses, hosting 13 Bonspiels per season, bringing in 400+ monthly visitors plus Club members to the Town core for shopping at local stores, lunches and dinners and catering from our local restaurants.
- the club also enjoys a long-standing partnership with our local branch of The Royal Canadian Legion
- many new residents to Mississippi Mills join the Club to meet their neighbours and this increases their attachment to our community.

Further, the Club is host to the annual President's Cup Challenge this year, which will bring in more than 200 people to Almonte this spring, from Carp, Arnprior and Richmond.

Additional Consideration on the Ice/Refrigeration System, Estimated Capital Costs and Project Planning and Procurement to Date

The current Ice/Refrigeration system was purchased and installed in 1989, with an estimated life cycle of 35 years.

The current system is now at the end of its life cycle, prone to possible disruptions, and required service to keep it viable. It will ultimately fail and put curling club operations, the current lease, and associated revenues at risk.

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I also understand that the cost estimate for the replacement of the Ice/Refrigeration system has increased from an original estimate of \$500,000 to \$700,000 over the past 12-18 months. Based on advice from industry experts, this is not surprising as capital project costs have increased significantly post-pandemic given supply chain shortages and inflation. I can relate to this as my local business has been subject to the same pressures, albeit on a much smaller scale. However, of note for Council and of concern to the ACC, it is likely that the costs of this needed replacement project may continue to increase if the project is further delayed.

Given this, given the importance of the Ice/Refrigeration system to Club operations, and given the valuable direct and indirect role that the Almonte Curling Club plays in our community, and on behalf of the 300+ members of the Club, I request that Town Council approve the requested funding and support the capital replacement of the Ice/Refrigeration system.

Don St. John
President
Almonte Curling Club