



## Corporation of the Town of Englehart

### Municipal Budget 2022

Prepared by: Malorie Robinson, Chief Administrative Officer – Treasurer

For Presentation to Council

June 22, 2022

## **Budget Review Process**

Since early spring, the Management Team has been reviewing and preparing the Town's 2022 general operating and capital budgets. The Management Team's main goal was and continues to be, to remain fiscally responsible. Throughout the budget, Management ensured the maintenance of existing service levels and critical infrastructure needs were addressed.

Projects for the operating and capital budget were selected based on the following criteria:

- Immediate need
- Estimated end of life
- Funding opportunities

Management recommends the following:

- Create Reserve Accounts for each department with corresponding reserve policies
- Consider increasing taxes in 2023 to combat rising costs of operating and fixed expenses
- Preparation of 3-5 year forecasted budget

## **Operating Budget**

The 2022 budget has been estimated assuming current service levels remain the same and includes adjustments to contractual and legislated obligations as well as inflationary increases.

The following are key pressures and changes to the 2022 budget:

- Liability Insurance: costs for liability insurance has risen by 17% or \$16,000
- Social Services: An increase of 2.62% for District of Timiskaming Social Services Administration Board (DTSSAB) and an increase of 2% to the Timiskaming Health Unit (THU) fees.
- Assessment Growth: MPAC will not be completing a valuation until 2023-2024, stalling the increase of assessment valuations.
- Employee Benefits: Employee benefits costs are expected to decrease in 2022. Management switched benefit providers effective January 1, 2022
- Electricity: Assumed an increase based on analysis of past trends. Inflationary increases were also taken into consideration
- Fuel: Assumed an increase based on current trends. Fuel is currently double the price of last year.
- Water Treatment & Distribution: Standpipe and WTP project will commence in 2022. Engineering will begin in early summer and continue until early 2023, with construction taking place in mid 2023.

The next page includes a summary of the Municipal and Environment Services Budgets:

<b>2022 Budget</b>			
<b>General Operations</b>			
Department	2021 Actual	2022 Budget	Variance 2021 to 2022
Council	63,940.46	74,700.00	(10,759.54)
General Government	466,372.24	709,868.54	(243,496.30) 1
Fire & Emergency Management	73,435.92	75,591.78	(2,155.86)
Economic Development	103,072.19	86,499.00	16,573.19 2
Recreation	649,864.27	1,059,545.25	(409,680.98) 3
Public Works	1,144,032.70	1,561,013.61	(416,980.91) 4
<b>Net Municipal Operations</b>	<b>2,500,717.78</b>	<b>3,567,218.18</b>	<b>(1,066,500.40)</b>
Policing	259,070.34	297,706.72	(38,636.38)
Health & Social Services	360,491.30	365,202.20	(4,710.90)
<b>Net Policing &amp; Social Services</b>	<b>619,561.64</b>	<b>662,908.92</b>	<b>(43,347.28)</b>
Various Revenues	601,668.02	1,267,814.13	(666,146.11) 5
Contribution from Reserves	-	180,581.84	(180,581.84) 6
OMPF	813,500.00	813,500.00	-
<b>Tax Levy Required for Operations</b>	<b>1,705,111.40</b>	<b>1,968,231.13</b>	<b>(263,119.73)</b>
<b>Variance from 2021 to 2022 Budget Notes</b>			
1 Office Renovations with all salaries being charged to General Government			
2 Salary has been moved to General Government			
3 Construction of the new Pavilion			
4 All salaries being charged to Public Works, side walk paving approx. \$250,000			
5 NORDS, FedNor, ICIP, CCBF (one payment only)			
6 Recording of contribution from reserves			

<b>2022 Budget</b>			
<b>Environmental</b>			
Department	2021 Actual	2022 Budget	Variance 2021 to 2022
Lagoon	112,334.22	201,244.16	(88,909.94)
Sewer	30,963.65	35,220.12	(4,256.47)
Water	265,904.94	417,287.58	(151,382.64)
Garbage	145,532.58	248,837.99	(103,305.41)
Landfill	32,068.92	80,349.00	(48,280.08)
<b>Net Environmental Operations</b>	<b>586,804.31</b>	<b>982,938.85</b>	
Sewer, Water Garbage Revenues	787,829.65	838,095.82	
Contribution from Reserves	-	246,500.00	
<b>Utilities Levy Required for Reserves</b>	<b>(201,025.34)</b>	<b>(101,656.97)</b>	
<b>Variance from 2021 to 2022 Budget Notes</b>			
Purchased pump for the lagoon \$130,000			
Standpipe/WTP upgrades project Engineering Work			
Waste and Recycling Program			

### Capital Budget

The COVID-19 pandemic has placed strains on supply chains while also increasing the costs of materials, wages and freight. The 2022 capital budget consists of a significant portion of the Town’s capital budget. The projects listed in the 2022 capital budget will benefit the ratepayers and Municipality as well ensuring the same level of service can be maintained.

Below is a summary of the 2022 Capital Budget along with the Capital List from Ontario Clean Water Agency. The Municipality secured the following sources of funding:

- FedNor \$393,800 for the recreation pavilion
- Northern Ontario Resource Development Support Funds (NORDS) \$154,676.39 with \$77,338.19 in 2023, 2024 and 2025.
- OCIF \$162,998.00
- OMPF \$813,500
- Canada Community Building Fund (Formerly Gas Tax) \$ 93,813.42
- Green Stream

2022 Project & Capital List						
Department	Project/Description	Estimated 2022 Cost	Estimated 2022 Funding	Reserves	Estimated PT	Funding Source
111	Council Chamber Modernization	7,966.00	-	7,966.00	-	Modernization Reserves
121	Laptops	8,000.00	-	8,000.00	-	Modernization Reserves
152	Office Renovation	51,103.76	-	51,103.76	-	Office Reserve
311	Public Works - New Pickup	50,000.00	-	50,000.00	-	Equipment Reserves
321	Ashpalt/Concrete	410,000.00	410,000.00	-	-	CCBF (Gas Tax) + OCIF + NORDS + ICIP
321	Steamer - Culverts	20,000.00	-	-	20,000.00	PT Revenues
421	Lagoon Pump	135,000.00	-	135,000.00	-	Sewer Capital
431	Standpipe Project	135,000.00	94,500.00	40,500.00	-	Water Reserves & Green Stream
451	Garbage Carts	115,000.00	-	71,000.00	44,000.00	451 Reserve
581	Columbarium	50,000.00	-	50,000.00	-	Cemetery Reserves/Account
721	Arena/Zamboni	150,000.00	-	-	150,000.00	PT Revenues
722	Community Hall Upgrades/Blinds	5,000.00	-	-	5,000.00	PT Revenues
725	Parks/Pavilion	450,000.00	393,750.00	-	56,250.00	FedNor & PT Revenues
726	Pool Upgrades	25,000.00	-	-	25,000.00	Fencing - capital??
727	Gym Key Fob System/Blinds	8,000.00	-	-	8,000.00	PT Revenues
831	Asset Management Plan & Software	65,000.00	1,488.60	63,511.40	-	OCIF + Modernization Reserves
		1,685,069.76	899,738.60	477,081.16	308,250.00	
						Defer to 2023

## Englehart Water and Waste Water Systems

### 5-Year Recommended Capital/Major Maintenance from 2022 to 2027

The Ontario Clean Water Agency has identified the following capital projects/major maintenance for your review and approval

Ref.	No.	Scope of Work	Cost Estimate					Compliance	DWQMS RA Outcome *	Health & Safety	Repair / Maintenance	Lifecycle Replacement	Improvement	Spare Parts Inventory	Approved by Client	Rationale for Project
			2022	2023	2024	2025	2026									
<b>Englehart Water Treatment Plant</b>																
1		SCADA computer upgrade to integrate the filter plant, high lift system and standpipe together in one operation system.	\$120,000							x	x	x				This will be a part of the standpipe project to meet control all componenets of the plant, integrating both the newly constructed and older parts of the plant. This is a ballpark price which can be refined once project specific information comes forward.
2		Spare parts kits for chemical pumps.	\$1,200		\$1,200		\$1,200		x	x			x			
3		Spare sodium hypochlorite metering pump	\$10,000			\$10,000	\$10,000				x					
4		Repacking of well pumps as packing is worn and is causing leakage.				\$1,000				x						
5		Fans for all VFD's (Variable Frequency Drives) in plant as they wear out over time and require replacement.	\$600					\$600		x	x					
6		Spare chemical injectors	\$600		\$600		\$600			x	x					
7		Probe, membranes, electrolyte, for chlorine analysers.	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500			x			x		
8		Replace the treated water turbidimeter as it is at the end of its life and its condition is precarious. This instrument helps operators identify if there are issues with the filtration system performance.	\$7,000						x			x				Is this instrument something that might be purchased under the satandpipe construction project?
9		Transfer pump for adding sodium hypochlorite to day tank	\$2,000			\$2,000					x					
10		Genset Maintenance including oil change and full inspection	\$800	\$800	\$800	\$800	\$800	\$800			x					
11		Annual Fire Extinguisher inspection and certification	\$200	\$200	\$200	\$200	\$200	\$200			x	x				In addition to monthly inspections performed by Operations Staff
12		External audit performed by SAI Global as required by the Ministry	\$2,300	\$1,300	\$1,300	\$2,300	\$1,300	\$1,300	x	x						Every third year an on site audit by SIA Global is required attributing to the higher cost every third year.
13		Municipal drinking water licence renewal				\$1,000			x	x						
14		Backflow preventer inspection at the water plant as per the MECP and Auditors request.	\$500	\$500	\$500	\$500	\$500	\$500	x	x						
<b>Total Estimate - Recommended Capital</b>			<b>\$146,700</b>	<b>\$4,300</b>	<b>\$6,100</b>	<b>\$19,300</b>	<b>\$16,100</b>	<b>\$4,900</b>								
<b>Englehart Distribution System</b>																
1		Discuss the parts inventory for distribution repairs as per audit findings								x						
2		Spring flushing and valve cycling under O&M contract	\$0	\$0	\$0	\$0	\$0	\$0	x	x		x				Included in the O &M control starting in 2022
3		Fall flushing under O&M contract.	\$0	\$0	\$0	\$0	\$0	\$0	x	x		x				Included in the O &M control starting in 2022
<b>Total Estimate - Recommended Capital</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>								
<b>Englehart Lagoon and Pumping Station</b>																
1		Spare slum pump	\$5,000					\$5,000				x			x	
2		Perform repairs to the hatched on the effluent chamber from cell 3 to allow them to be opened safely.	\$600								x					
3		Genset Maintenance including oil change and full inspection	\$800	\$800	\$800	\$800	\$800	\$800			x					The first year maintenance is covered under the installation cost
4		Annual Fire Extinguisher inspection and certification	\$120	\$120	\$120	\$120	\$120	\$120	x		x	x				In addition to monthly inspections performed by Operations Staff
5		Annual inspection of lifting devices at lift station and lagoon wet wells	\$800	\$800	\$800	\$800	\$800	\$800	x		x					
<b>Total Estimate - Recommended Capital</b>			<b>\$7,320</b>	<b>\$1,720</b>	<b>\$1,720</b>	<b>\$1,720</b>	<b>\$6,720</b>	<b>\$1,720</b>								
<b>Englehart Collection System.</b>																
1		No items														
<b>Total Capital Estimate</b>			<b>\$154,020</b>	<b>\$6,020</b>	<b>\$7,820</b>	<b>\$21,020</b>	<b>\$22,820</b>	<b>\$6,620</b>								

2022 Recommended Capital Presented by:

Name

2022 Recommended Capital Approved by:

Name

\* NOTE : a requirement of DWQMS v. 2.0 is to consider the outcomes of the risk assessment (RA) documented under Element 8 as part of the system's infrastructure review

## **Conclusion**

Since the announcement in 2021 that property assessments for the 2022 and 2023 property tax years will continue to be based on January 1<sup>st</sup>, 2016 assessed values, this has put a constraint on property tax revenue generating for the Municipality.

In the budget presented, there is a 0% tax levy increase. This comes with the decrease of all transfers to reserves for the 2022 operating year. Should the Municipality deem it necessary to maintain the same level of service, an increase to property tax levies in 2023 will need to be implemented. Staff will work on scenarios for property tax increases and present to Council in quarter 4.