



**Minutes of Special Council Meeting
February 5, 2024 5:00 PM
105 Elgin Street West, Arnprior, ON**

Council and Staff Attendance

Council Members Present (In Person):

Mayor Lisa McGee
County Councillor Dan Lynch
Councillor Lynn Grinstead
Councillor Tom Burnette
Councillor Chris Toner
Councillor Chris Couper
Councillor Billy Denault

Council Members Present (Electronic):

Council Members Absent:

Town Staff Present:

Robin Paquette, CAO
Jennifer Morawiec, General Manager, Client Services / Treasurer
Kaila Zamojski, Deputy Clerk
Graeme Ivory, Director of Recreation
John Steckly, GM, Operations
Rick Desarmia, Fire Chief
Cassidy Marshall, A/Manager of Finance
Emily Stovel, Manager of Culture, Curator
Oliver Jacob, Client Services Coordinator
Cory Nicholas, Deputy Fire Chief
Steve McLean, Supervisor, Roads & Services
Scott Matthews, Waterworks Supervisor
Taylor Giffen, Operations Supervisor
Patrick Foley, Engineering Officer, Facilities & Assets
Ryan Wall, Engineering Officer, Civil
Amy Dean, Environmental Engineering Officer
Lucas Power, Program & Events Coordinator
Kasia Trautrim, Aquatics & Facility Services Supervisor

1. Call to Order

Mayor Lisa McGee called the Special Council Meeting to order at 5:00 PM and welcomed those present.

2. Roll Call

The roll was called, with all Members of Council being present.

3. Land Acknowledgement Statement

Mayor Lisa McGee asked everyone to take a moment to acknowledge and show respect for the Indigenous Peoples as traditional stewards of the land we operate on, by stating:

I would like to begin by acknowledging that the land on which we work and gather is the traditional unceded territory of the Anishinaabe People. This Algonquin Nation have lived on this land for thousands of years, long before the arrival of the European settlers, and we are grateful to have the opportunity to be present in this territory.

Minutes of Council Meeting

4. Adoption of Agenda

Resolution Number 033-24

Moved by Billy Denault

Seconded by Chris Toner

Be It Resolved That the agenda, for the Special Meeting of Council dated Monday, February 5, 2024 be adopted.

Resolution Carried

5. Disclosures of Pecuniary Interest

None

6. Awards/Delegations/Presentations

a) Presentations

- i) 2024 Draft Operating Budget
- ii) 2024 Draft Capital Budget
- iii) Supporting Documents
- iv) 2025-2044 Long Range Capital Forecast (LRCF)

The General Manager Client Services, Treasurer provided a Budget Recap, attached as Appendix A and forming part of these minutes, highlighting key areas of the 2024 Draft Operating Budget, the 2024 Draft Capital Budget, Supporting Documents and the Long Range Capital Forecast (LRCF). Budget Memos dated January 9, February 4 and February 5, 2024 are attached as Appendix B and forming part of these minutes.

Following discussion on the proposed community grants, the following resolutions were brought forward for consideration:

Resolution Number 034-24

Moved by Chris Couper

Seconded by Lisa McGee

That Council authorize an additional \$22,420 for the Arnprior Public Library, to cover costs for an additional Community Librarian position as well as additional operating costs, to be included in the 2024 operating budget; and

Further That while the additional funding is not contingent upon McNab/Braeside's agreement to proportionately fund the service level increase; that Town send communication to the Township of McNab/Braeside indicating that we look forward to their fair share being invested in this worthwhile position.

Resolution Lost

Minutes of Council Meeting

Resolution Number 035-24

Moved by Lynn Cloutier
Seconded by Dan Lynch

That Council authorize an additional \$13,420 for the Arnprior Public Library, to cover costs for an additional Community Librarian position, be included in the 2024 operating budget; and

Further That while the additional funding is not contingent upon McNab/Braeside's agreement to proportionately fund the service level increase; that Town send communication to the Township of McNab/Braeside indicating that we look forward to their fair share being invested in this worthwhile position.

Resolution Carried

Resolution Number 036-24

Moved by Lynn Cloutier
Seconded by Tom Burnette

That Council authorizes grant funding for the Arnprior Regional Health Foundation's CT Scanner fundraising campaign of \$50,000 be included in the 2024 operating budget and commit reserves to fund the next two years at \$50,000 each (total \$150,000).

Resolution Lost

Resolution Number 037-24

Moved by Dan Lynch
Seconded by Lynn Cloutier

That Council authorizes grant funding for the Arnprior Regional Health Foundation's CT Scanner fundraising campaign of \$50,000 to be included in the 2024 operating budget.

Resolution Carried

Resolution Number 038-24

Moved by Dan Lynch
Seconded by Lynn Cloutier

That Council authorize grant funding for the Arnprior Airport of \$55,000 be included in the 2024 operating budget subject to conditions.

Resolution Carried

Minutes of Council Meeting

Resolution Number 039-24

Moved by Dan Lynch

Seconded by Billy Denault

That the \$55,000 grant for the Arnprior Airport be included in the 2024 budget with the following conditions:

- (a) 25% of the grant be issued by March 31, 2024 subject to completion of Audited Financial Statements for the 2022 fiscal year; and
- (b) For the remaining 75% of the grant funds, the Town of Arnprior reserves the right to issue in whole, in part or withhold, dependent upon the results of the 2022 and 2023 financial statements.

Resolution Carried

Discussion on the 2024 municipal tax rate increase ensued with the following motion being brought forward for consideration:

Resolution Number 040-24

Moved by Dan Lynch

Seconded by Tom Burnette

That Council direct staff to prepare the 2024 Budget by-laws for consideration of adoption at the February 12, 2024 Regular Meeting of Council, including a municipal tax rate increase of 2.5%.

Resolution Carried

Mayor Lisa McGee vacated her seat at the Council Table at 6:37 pm and Deputy Mayor Lynn Cloutier took over as chair of the meeting.

Mayor Lisa McGee resumed her seat at the Council Table at 6:38 pm.

Mayor McGee and Members of Council thanked staff for their hard work on the 2024 Draft Budget, noting the quality of the budget document and efficiency of the process.

17. Confirmatory By-Law

Resolution Number 041-24

Moved by Tom Burnette

Seconded by Chris Couper

That By-law No. 7459-24 being a By-law to confirm the proceedings of the Special Meeting of Council held on February 5, 2024 be and it is hereby enacted and passed.

Resolution Carried

Minutes of Council Meeting

18. Adjournment

Resolution Number 042-24

Moved by Lynn Cloutier

Seconded by Billy Denault

That this meeting of Council be adjourned at 6:43 p.m.

Resolution Carried

Signatures



Lisa McGee, Mayor



Kaila Zamojski, Deputy Clerk



ARNPRIOR
• WHERE THE RIVERS MEET •

2024 Budget Recap

Jennifer Morawiec, GM Client
Services / Treasurer

February 5, 2024



Budget Recap

- Current Draft Budget is presented with a 0% municipal tax rate increase and includes:
 - Operating Budget \$25.7M
 - Address inflationary & growth pressures
 - Increased contributions to reserves
 - Capital Budget \$10.7M
 - 25 new capital projects
 - Investment in linear infrastructure (65%)



Budget Recap

- Challenges
 - Legislative impacts (CVA, Bill 23)
 - Inflationary impacts / supply chain
 - Growth management
- Advantages
 - Robust capital plan / asset investment
 - PAYG model / reserve balances
 - Growth revenues



Municipal Tax Rate

- Recommended 2.0% MTRI will generate \$236,861 in additional taxation revenue.

MTRI	Municipal Revenue	Annual Cost / \$ Assessed Value	
		\$100,000	\$241,000
0.5%	\$59,215	\$4.57	\$11.00
1.0%	\$118,431	\$9.13	\$22.01
2.0%	\$236,861	\$18.26	\$44.02
2.5%	\$296,076	\$22.83	\$55.02
3.0%	\$355,292	\$27.40	\$66.03



Municipal Tax Rate

- 2.0% MTRI will support:
 - Help addressing legislative impacts.
 - Bolster reserve / reserve fund balances for future infrastructure investment.
 - Increased capital investment will help towards reaching target reinvestment rates as per the Asset Management Plan.
 - Financial Sustainability: Maintain the PAYG financial model and avoid the need for sharp increases in the future.



Municipal Impact

- For average home valued at \$241,000

Estimated Impact	2022	2023	2024
MTRI % Increase	0.0%	3.0%	2.0%
Municipal Tax Rate	\$0.00	\$57.92	\$44.02
Water/Wastewater	\$30.96	\$45.17	\$28.91
Garbage/Recycling Rate	\$0.00	(\$20.00)	\$20.00
TOTAL Annual	\$30.96	\$83.09	\$92.93
TOTAL Monthly	\$2.58	\$6.92	\$7.74



2024 Budget

- Tab 12 - Budget Memos
 - 2024 Budget Consultations Memo
 - 2024 Staffing Inclusions Memo
 - 2024 Budget Query Memo #1 & Memo #2
 - Forms part of minutes
- 2023 Works-In-Progress
 - Draft By-Law Schedule
 - Most projects near completion, awaiting delivery of goods or multi-year projects



Budget Revisions

- 2024 Capital Budget
 - Remove EV Charger Stations
 - \$30K grant (\$0 impact), \$10K CERF (Levy)
 - Amend WFP Filter Media & Underdrains
 - Recent inspection of underdrains in filter #2 show damage that will require replacement as opposed to cleanout as initially anticipated.
 - \$120K Water Reserve



Budget Deliberations

- Review 2024 Budget Binder
 - Draft Operating Budget
 - Overview by Tab
 - Draft Capital Budget
 - Summary
 - Supporting Documents
 - Reserve and Reserve Funds
 - Debt Schedules
 - Long Range Capital Forecast



Budget Deliberations

- Review 2024 Budget
 - If needed Feb 7th – carry over from Feb 6th
- Council direction on:
 - Municipal Tax Rate % for 2024 Budget By-law
 - Any additions / revisions
- February 12th Council Meeting
 - 2024 Budget By-Law – Operating & Capital
 - 2023 Works-in-Progress By-Law
 - Long Range Capital Forecast Resolution
 - Municipal Grant Resolutions (SALC in-kind, Airport, etc)



Budget Binder

- Operating Budget items that impact multiple departments
 - Salaries & Wages
 - Cost of living adjustment (COLA) 2.0%
 - Minimum wage impact – summer student grid
 - Benefits
 - Corresponding impact of COLA increase, benefit premium (Manulife) decrease (6.0%) and statutory deduction decrease (0.38%)
 - Municipal Insurance
 - \$50K increase spread across multiple departments / buildings



Budget Binder

- Tab 1 – Operating Summary
 - Comparison to 2023 budget by department and shows variance by cost area
- Tab 2 – Taxation
 - Additional \$578K in revenues from prior year growth and estimated additional \$100K from current in-year growth



Tab 3 – General Governance

	2023 Budget	2024 Budget	Variance
Council	\$234,100	\$232,100	(\$2,000)
Clerk	\$380,950	\$362,900	(\$18,050)
Corporate	\$885,550	\$677,450	(\$208,100)
Human Resources	\$128,250	\$132,850	\$4,600
Information Tech	\$321,900	\$315,998	(\$5,902)
TOTAL	\$1,950,750	\$1,721,298	(\$229,452)



Tab 3 – General Governance

- Interest Earned - increased investment revenues from higher interest rates (\$250K)
- Tax Adjustments - expense decrease from lack of change in assessment base (\$15K)
- IT Hardware / Licensing – expenses increase for rising licensing and hardware costs



Tab 4 – Protection to Persons & Property

	2023 Budget	2024 Budget	Variance
Fire Services	\$769,876	\$801,226	\$31,350
Police Services	\$1,682,080	\$1,773,859	\$91,779
By-Law Enforcement	\$69,430	\$71,468	\$2,038
Crossing Guards	\$38,200	\$38,950	\$750
TOTAL	\$2,559,586	\$2,685,503	\$125,917



Tab 4 – Protection to Persons & Property

- Officer Pay increase to add annual compensation for Training Officer (\$8K)
- Fire Training – additional training requirements per new regulatory framework (\$3.5K)
- Police – decreasing per unit cost, increasing # of properties, overall increase (\$92K)



Tab 5 – Public Works

	2023 Budget	2024 Budget	Variance
Roads & Services	\$1,961,674	\$2,036,649	\$74,975
Vehicles & Equipment	(\$370,500)	(\$331,400)	\$39,100
TOTAL	\$1,591,174	\$1,705,249	\$114,075



Tab 5 – Public Works

- Asphalt R&M – additional contracted services for sidewalk maintenance program (\$20K)
- Sweeping – reduced expenses as County ended summer maintenance contract (\$15K)
- Tree Maintenance – increased need for tree removal and re-planting (\$13K)
- Streetlights – increase to cover additional streetlights and PXO installation (\$23K)

Tab 6 - Cemeteries

	2023 Budget	2024 Budget	Variance
Cemeteries	(\$2,700)	\$0	\$2,700

- Sale of Plots / Niches – increase in revenues to reflect increasing sale of earth burial plots and niches (new columbaria – Malloch Rd) (\$3.5K)
- Equipment Rental Internal – budgeted rates set at 70% of regular rate to help cost recovery



Tab 7 - Environmental

	2023 Budget	2024 Budget	Variance
Water	(\$1,100,424)	(\$1,127,336)	(\$26,912)
Wastewater	(\$492,266)	(\$538,880)	(\$46,614)
Waste Management	(\$51,000)	(\$46,950)	\$4,050
TOTAL	(\$1,643,690)	(\$1,713,166)	(\$69,476)



Tab 7 - Environmental

- Water / Wastewater
 - Increased revenues based on proposed rates and estimated volumes
 - \$110K Water, \$121K Wastewater
- WFP & WPCC
 - Light, Heat, Power & Chemicals increased expenses for inflationary impacts (\$8K/\$20K)
 - Minor Capital – to cover minor capital requirements including those from BCA (\$25K / plant)



Tab 7 - Environmental

- Waste Management
 - WM Revenues – higher revenues from increased Garbage/Landfill rate (\$142K)
 - Transfer WM Reserve – stabilize rate (\$41K)
 - Pilot Project – Counter top composters (\$11K)
 - Contracted Services – increase costs from landfill management and garbage collection tenders (\$98K)



Tab 8 – Recreation & Facilities

	2023 Budget	2024 Budget	Variance
Programs	\$175,455	\$223,000	\$47,545
NSC Programs	(\$188,628)	(\$155,650)	\$32,978
Parks	\$384,950	\$436,050	\$51,100
Marina	(\$3,300)	(\$800)	\$2,500
NSC Building	\$1,376,020	\$1,414,750	\$38,730
Buildings	\$355,750	\$396,750	\$41,000
TOTAL	\$2,100,247	\$2,314,100	\$213,853



Tab 8 – Recreation & Facilities

- Increased revenues related to new and existing programs and events
- Remove M/B revenues, adjusted revenues to reflect trending and future projections
- Inflationary increases for operating supplies / maintenance and repairs
- Bring new parks online (growth)
- Consolidated all building operations under one department, creating efficiencies and capacity in the engineering branch



Tab 9 – Community Services

	2023 Budget	2024 Budget	Variance
Museum	\$235,440	\$269,070	\$33,630
Building Services	\$0	\$0	\$0
Planning & Zoning	\$109,500	\$118,980	\$9,480
Marketing & Econ Dev	\$217,100	\$218,250	\$1,150
TOTAL	\$562,040	\$606,300	\$44,260



Tab 9 – Community Services

- Museum
 - Reduced grant revenues due to end of COVID operating grant
 - Increased registration revenues due to additional program offerings
- Building Services
 - Increased permit revenues
- Planning
 - Temporary adjustment between salaries / contracted services (staff on leave)



Tab 10 – Grants

REVENUES	2023 Budget	2024 Budget	Variance
OMPF	\$1,473,700	\$1,359,500	-\$114,200
OCIF	\$934,657	\$794,458	-\$140,199
CCBF (Gas Tax)	\$291,062	\$302,737	\$11,676
TOTAL	\$2,699,419	\$2,456,695	-\$242,724

- Reductions in Government grants for the 2024 budget is equivalent to 2.05% municipal tax rate impact



Tab 10 - Grants

EXPENSES	2023 Budget	2024 Budget	Variance
Library	\$299,453	\$308,095	\$8,642
Archives	\$32,500	\$26,225	(\$6,275)
Airport	\$55,000	\$55,000	\$0
SALC	\$12,500	\$12,500	\$0
ARH – CT Scanner	\$50,000	\$0	(\$50,000)
Municipal Grants	\$10,000	\$10,000	\$0
TOTAL	\$459,453	\$411,820	(\$47,633)



Grant Requests

- Municipal Grant Requests
 - Archives, Physician Recruitment, SALC are included in the 2024 draft budget at the requested amounts (equal or less than prior year requests)

Organization	Request	Included Draft 2024 Budget
Archives	\$26,225	\$26,225
Physician Recruitment	\$20,000	\$20,000
SALC	\$12,500 (\$) \$7,500 (in-kind)	\$12,500 (\$) \$7,500 (in-kind)



Grant Requests

- Library, Airport, ARH Foundation requests
 - Variance between grant requests and current 2024 budget is \$77,420
 - MTRI equivalent of 0.65%

Organization	Request	Included in Draft 2024 Budget	Variance
Arnprior Public Library	\$330,515	\$308,095	\$22,420
Arnprior Airport	\$60,000	\$55,000	\$5,000
ARH Foundation - CT Scanner	\$50,000 / Yr (for 3 yrs)	\$0	\$50,000
TOTAL			\$77,420



Tab 10 - Grants

- Arnprior Public Library

Breakdown of the 2024 request

\$330,515 vs \$308,095

Support for staffing
increase

\$13,420

Increase in Audit
and Insurance fees

\$5,000

Audit \$4100
Insurance \$900

Automation

\$4,000



Tab 10 - Grants

- Arnprior Public Library
 - Operational items already covered in the annual operating increase (JUA)
 - \$299,453 (2023), \$308,095 (2024)
 - Additional staffing request (\$13,420)
 - Only covers partial year
 - Consider future impact when alternate funding sources are not available
 - Joint Use Agreement – proportionate funding from McNab/Braeside for the position



Municipal Grants

- Arnprior Public Library - Options
 1. Fund the additional position (\$13,420).
 2. Fund the additional position (\$13,420) with the caveat that McNab/Braeside has to agree to fund their proportionate share as per the Joint Use Agreement.
 3. Do not provide additional funding at this time.



Municipal Grants

- ARH Foundation – CT Scanner - Options
 1. Fund the \$50,000 request for 2024.
 2. Fund the \$50,000 request and commit reserves to fund the next two years at \$50,000 each (total \$150,000).
 3. Fund another amount.
 4. Wait and see how the fundraising campaign progresses before committing any 2024 funding.



Municipal Grants

- Arnprior Airport - Options
 - Fund the \$60,000 grant request.
 - Provide annual funding at \$55,000.
 - Fund another amount.
 - Include conditions grant issuance:
 - 25% of the grant funds be issued by March 31, 2024;
 - 25% of the grant funds be issued upon completion of the financial audit for the 2023 fiscal year; and
 - 50% of the grants funds, the Town reserves the right to issue in whole, in part or withhold, dependent upon the results of the 2022 and 2023 financial audits.



Tab 11 – Contributions to Reserves

- 2024 contributions are \$7,093,402
 - Over \$4.2M to CERF
 - Over \$1.6M to Water / Wastewater
- 2024 contributions from the operating budget are \$313K higher than 2023



Capital Budget

- 24 capital projects
 - Total investment of \$10,757,200

Investment Type	Capital Investment	% of Total Investment
Linear Infrastructure	\$6,965,000	65%
Facilities	\$2,360,000	22%
Land Improvements	\$887,200	8%
Vehicles & Equipment	\$505,000	5%
Studies / Other	\$40,000	0.5%
TOTAL	\$10,757,200	100%



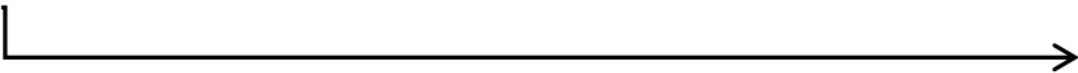
Capital Budget

- Multi-year projects
 - Commit full project value for tendering

	Project Value	2024 Costs
NSC Arena Rehab	\$6,340,000	\$1,585,000
River Crossing Watermain	\$5,400,000	\$1,350,000



Reserve / Reserve Funds

	Opening Balance	Contributions	Operating Expenses	Capital Expenses	Closing Balance
RESERVES	\$ 4,110,591	\$ 23,500	\$ (155,634)	\$ -	\$ 3,978,457
RESERVE FUNDS	\$ 19,863,569	\$ 6,902,707	\$ (921,482)	\$ (9,061,733)	\$ 16,783,061
GRANTS	\$ -	\$ 1,615,467	\$ -	\$ (1,615,467)	\$ -
TOTAL	\$ 23,974,160	\$ 8,541,674	\$ (1,077,116)	\$ (10,677,200)	\$ 20,761,518
 <p>Net Impact of \$3,212,642 decrease</p>					



Long Range Capital Forecast

- 20 Year Capital Investment of \$186M
 - Average annual investment \$9.3M
 - Financial Planning Tool – snapshot in time

INVESTMENT TYPE	YEAR 1-5	YEAR 6-10	YEAR 11-20	TOTAL
LINEAR INFRASTRUCTURE	31,610,100	33,119,900	41,459,500	106,189,500
LAND IMPROVEMENTS	6,590,000	2,423,000	315,800	9,328,800
FACILITIES	17,597,200	30,467,000	6,456,200	54,520,400
MACHINERY & EQUIPMENT	1,634,000	2,010,250	2,361,500	6,005,750
VEHICLES	978,000	2,755,000	4,580,000	8,313,000
STUDIES & OTHER	599,000	559,000	917,000	2,075,000
Total	59,008,300	71,334,150	56,090,000	186,432,450



Debt Schedules

- 2024 annual debt payments are \$1.7M
 - Within annual repayment limits set by the province
- Arnprior's debt servicing ratio (MMAH)
 - Improved from high to moderate



Municipal Tax Rate

- Council direction on:
 - Municipal Tax Rate % for 2024 Budget By-law

MTRI	Municipal Revenue	Annual Cost / \$ Assessed Value	
		\$100,000	\$241,000
0.5%	\$59,215	\$4.57	\$11.00
1.0%	\$118,431	\$9.13	\$22.01
2.0%	\$236,861	\$18.26	\$44.02
2.5%	\$296,076	\$22.83	\$55.02
3.0%	\$355,292	\$27.40	\$66.03



Next Steps

- February 12th Council Meeting
 - 2024 Budget By-Law – Operating & Capital
 - 2023 Works-in-Progress By-Law
 - Long Range Capital Forecast Resolution
 - Grant Resolutions
 - In-Kind, Conditions

Questions?



• WHERE THE RIVERS MEET •



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Memo

To: Members of Council

From: Jennifer Morawiec, General Manager, Client Services / Treasurer

Date: January 12, 2024

Subject: **2024 Draft Budget Queries – Memo #1**

The following provides responses to comments and questions received from members of Council pertaining to the Draft 2024 Budget.

OPERATING BUDGET

- (1) What's the breakdown of Municipal taxation revenue between residential and commercial/industrial? Weighted assessment of the two, percentage wise?

The last page in Tab 2 (Taxation) includes an estimated breakdown of municipal taxation revenues for each property classification. The percentage of revenues per classification is:

	Projected Taxation Revenues	% of Projected Taxation Revenues
Residential	\$9,207,520	78%
Multi-Residential	\$790,136	7%
Commercial	\$1,520,337	13%
Industrial	\$289,558	2%
Pipelnd / Farmland	\$35,510	0% (less than 1%)

- (2) Tab 3 – Council Benefits (1-5-1110-2210): The Budget notes indicate an increase however the Budget shows a decrease.

This is a typo. The yellow page notes should indicate decrease.

- (3) Tab 3 – Clerks Office – Licenses (1-4-1200-0700) - down \$5,000. If the 2023 actuals are \$28,702, why not use that as the Budget for 2024 instead of \$23,000?

As this is a revenue line, budgeted revenues are up (not down) \$5,000 to reflect the upward revenue trends that we are seeing on this licensing line. As noted in the budget presentation, staff perform very detailed analysis on each line (beyond looking at just the current year amounts) to determine an appropriate budget amount for the next year. For example, this revenue line has a 4 year trend value of \$21,000 and a 3 year trend value of \$14,000. Additionally, this line includes 2023 Sunday market license revenues which in 2024 will be recorded under MEDO Revenues 1-4-8200-0801 Events to offset market costs.

- (4) Tab 3 - Clerks Office – Salaries (1-5-1200-1110) - down \$3,900. 2023 actuals are \$239,506 and 2024 budget is \$262,500. In previous years we had three Clerks (Clerk, Deputy Clerk, Assistant). Now we have four Clerks. Should this not equate to a higher salary line?

The addition of a fourth position to the Clerks Office was added in the 2023 budget not in the 2024 budget so it would not result in a higher salary line in 2024. The lower 2023 actuals was due to periods of vacancy and sick leaves for some of the Clerks Office positions. The 2024 budget reflects the actual funds required to address current incumbents. The addition of the fourth position allows the Clerks Office to provide administrative support to all the other Municipal Departments, assisting with alleviating admin workloads from other departments allowing them to focus on their areas of expertise.

- (5) Tab 3 - Clerks Office – MFIPPA/Integrity (1-5-1200-5387). 2023 actuals are \$1,771 and 2024 budget is \$10,000. Why not budget \$2,000 in 2024 instead of \$10,000 and have \$8,000 in savings?

As noted in the budget presentation, staff perform detailed analysis on each line (beyond looking at just the current year amounts) to determine an appropriate budget amount for the next year. The three year annual trend for expense on this account line is \$11,535. To reduce this account to \$2,000 would be premature based on one possible year of lower spending. Additional, staff consider the current number of MFIPPA requests that are in the appeal stages that may incur further expenses (legal). This budget line also provides funding to cover any expenses that would be incurred by the Town's Integrity and Closed Meeting investigator, should the need to utilize their services arise.

- (6) Tab 3 - Clerks Office – Memberships (1-5-1200-5800). 2023 actuals are \$511 and 2024 budget is \$1,500. Why not budget \$1,000 in 2024 instead of \$1,500 and have \$500 in savings?

Being back to a full complement of staff in the Clerks Office, the membership budget for staff participating in organizations such as AMCTO (Association of Municipal Clerks and Treasurers Ontario) and the RCCTA (Renfrew County Clerks and Treasurers Association) is set at the correct level.

- (7) Tab 3 – Corp – Honorariums (1-5-1250-1160). 2023 actuals are \$2,365 and 2024 budget is \$4,000. Who gets these Honorariums and why not have 2024 budget be \$2,500 and save \$1,500?

Any staff member under Corporate Management (generally CAO, GM Client Services / Treasurer, Manager of Finance) who attend Council or Committee meetings and qualify for an Honorarium under the Hours of Work Policy would be captured under this line item. Honorariums for 2024 will be higher than 2023 actuals due to the addition of Advisory Committees meetings.

- (8) Tab 3 – Corp – Legal Fees (1-5-1250-5100). 2023 actuals are \$35,994 and the 2024 budget is \$50,000. Why not reduce the 2024 budget to \$40,000 and save \$10,000?

As noted in the budget presentation, staff perform detailed analysis on each line (beyond looking at just the current year amounts) to determine an appropriate budget amount for the next year and the budget currently does not include all 2023 invoices. All legal invoices for Q4 of 2023 have not yet been received and recorded. For example, normally by the 15th of the next month, we would receive invoices for the prior month. Therefore we should receive legal invoices by January 15th 2024 for December 2023 services which will still need to be included in the 2023 actuals. The three year annual trend for this expense line is \$45,830 and the four year annual trend is \$49,170.

- (9) Tab 4 – Animal / Parking – Humane Society (1-5-1950-5975) budget of \$15,000. Why would this expense not be under Grants?

The funds paid by the Town to the Humane Society is for contracted services, not a grant. In 2021, the Town passed By-Law 7128-21 entering into a contract with the Arnprior and District Humane Society for the provision of Pound Keeper Services. The term of the contract was five years beginning January 1, 2021 and ending December 31, 2024.

- (10) Tab 4 – Crossing Guards Cost Recovery (1-4-2280-0490). Has the new French School been asked to cover Crossing Guard expenses?

The new school CECCE contributed funding to the Town as part of their site plan agreement towards implementation of a PXO crossing. Funding to install a new PXO is included in the 2024 Operating Budget under Tab 5 – Streetlights & Traffic Lights – Contracted Services.

- (11) Tab 4 – Policing: Has there been any news as to the joint municipal police services board? We should have some governance over a service that is a significant financial expense and contracted out to ensure residents are getting value for money.

The Community Safety and Policing Act will come into effect on April 1st, 2024. Most recently, the group of seven (7) municipalities were consulted in December with regards to the process for appointment of citizen members to the proposed board. The Policy Analyst with the Ministry of the Solicitor General who contacted us advised that the regulation is in its finalization stage and that a description of the regulation was anticipated to be posted to the Ontario Regulatory Registry (ORR) in December. I have reached out to get an update on the status as I did not see any regulations posted in December. Staff are proposing to ask Council to appoint their member at the Striking Committee in anticipation of the Board commencing in the spring.

- (12) Tab 5 – Winter Control: (a) What would the cost impact be to increase the winter control budget to clear sidewalks to the same standards as before we scaled back? (b) increasing the above but only to clear sidewalks directly adjacent to school zones (especially loading / unloading areas)?

(a) In 2019 Council authorized a 3200m reduction in the priority sidewalk route at an estimated annual cost savings of \$85,920. While estimates for winter control costs are very subjective and relative to the number and type of winter storm events, inflating this estimate to today's dollars would be over \$100K. In 2019, a contractor was also used with a fleet of 3-4 machines that run at one time. We now clear sidewalks with 2 units. An additional machine and/or staff may also be required should Council wish to significantly increase the amount of the priority route.

(b) The current process already addresses clearing and pick up for all school and bus loading zones. The exception is Baskin Drive (County Road) with no pick up on a rural cross section.

- (13) Tab 5 – Winter Control: What are the contracted services for? Can we do these winter control operations in-house?

Our Winter Control Contracted Services line covers the following typical expenses:

1. Contracted dump trucks to assist with for snow removal (pick-up) operation. This is typically the majority of our annual expenses.
2. Contracted bulldozer to push snow into large pile at snow disposal facility as required.

3. Annual lease agreement payment to OPG for use of snow disposal facility lands (\$3,500).
4. Occasionally specialized types of contractors are required for works associated with winter control (ie. fence contractor hired to repair a damaged fence during snow clearing efforts, loader/grader to assist with snow removal operations as required).

(14) Tab 8 - can you provide more information on the Contract services in Recreation programming? Budgeted 9,000 in 2023 - 58,950 in 2024.

Town programming is implemented through a combination of employees (wages) and contractors. E.g. If the Town is offering a specialty programming such as scuba diving in the pool, we would contract out the instructor for this program if we do not have staff with this expertise. For the Recreation Programming cost centre there will be shifts each year between wages / contracted services / operating supplies for this reason. The important figure to look at is the overall cost for the cost centre as a whole to provide programming. You can see this year while there is an increase in contracted services, there is a corresponding offset in operating supplies.

(15) Tab 8 – Recreation NSC Programming - Can you give an overview on the impacts the loss of the recreation agreement is having on recreation revenues? Joint Use Agreement vs. Hybrid model? Recognizing more time is needed to get a full picture on the impacts.

Currently we are projecting the shift from Joint Use Agreement to Hybrid Model to have little impact on the recreation revenues. As noted below, the budgeted 2024 revenues of \$1,025,900 (without Joint Use Agreement Fees) is on par with the 2023 revenues of \$1,024,528 (with Joint Use Agreement Fees). These projections are supported by 2023 actual revenues (\$1,181,771 minus Joint Use Agreement Fees \$139,458 = \$1,042,313).

	ACTUAL	BUDGET	BUDGET
	2023	2023	2024
GENERAL OPERATING FUND			
REVENUE			
NSC - PROGRAMS			
1-4-7115-0388 NSC PROG - MCNAB TOWNSHIP FE	(139,458)	(284,128)	0
1-4-7115-0420 NSC PROG - RENTAL REVENUE	(42,511)	(38,400)	(42,500)
1-4-7115-0433 NSC PROG - ADVERTISING REVENUE	(14,300)	(7,500)	(13,500)
1-4-7115-0502 NSC PROG - VENDING MACHINE SA	(4,547)	(2,000)	(4,000)
1-4-7115-0520 NSC PROG - ICE RENTAL-HOCKEY/I	(593,513)	(400,000)	(590,000)
1-4-7115-0521 NSC PROG - SHINNY	(7,106)	(2,500)	(6,500)
1-4-7115-0523 NSC PROG - PUBLIC SKATING	(4,970)	(2,000)	(4,400)
1-4-7115-0531 NSC PROG - PUBLIC SWIMMING	(57,887)	(30,000)	(55,000)
1-4-7115-0532 NSC PROG - SWIM MEMBERSHIPS	(3,835)	(8,000)	(5,000)
1-4-7115-0533 NSC PROG - SPECIAL TRAINING PR	(13,212)	(9,000)	(12,000)
1-4-7115-0534 NSC PROG - INSTRUCTIONAL SWIM	(253,443)	(200,000)	(250,000)
1-4-7115-0545 NSC PROG - BAR SALES AND PREM	(39,335)	(40,000)	(42,000)
1-4-7115-0595 NSC PROG - SUNDRY REVENUE	(1,655)	(1,000)	(1,000)
1-4-7115-0599 NSC PROG - INSURANCE CLAIMS	(5,992)	0	0
Total REVENUE	(1,181,771)	(1,024,528)	(1,025,900)

- (16) Tab 8 – Recreation - What is the cost per additional summer student? Does the addition of the facility maintenance supervisor negate the need for additional summer students to address garbage concerns as per the resident budget feedback?

An additional summer student is approximately \$10,000. Addressing the garbage concerns outlined in the feedback from one resident will be addressed in alternate ways instead of increasing staffing levels. Part of addressing the issue will include education / enforcement to encourage people to refrain from dropping full garbage bags (from their homes) into the waste receptacles instead of purchasing additional Bag Tags and putting them curbside. Additionally, new waste receptacles, similar to those now placed on the revitalized waterfront trail include smaller openings which discourages this practice.

- (17) Tab 8 – Recreation – Can you elaborate on how the new Parks & Facility Maintenance Supervisor in Recreation helps out the Engineering Department and creates efficiencies in Town operations?

Additional information about this position is included under Tab 12 (Memos) in the budget binder. To summarize, the new Parks & Facility Maintenance Supervisor position addresses two main areas:

- (a) Frees up capacity in the Engineering Branch to support the Town's growing capital program.

Over the last 10 years, the Town has been able to increase the annual capital program and make large strides towards meeting the asset management plan reinvestment targets. As outlined in the LRCF, the next 20 years include a significant amount of capital investment and a number of these large capital projects will require a significant amount of time to plan, design, procure and implement. The Town's Engineering Branch are the main resources to lead most infrastructure related capital projects and in order to meet the workloads associated with the capital program, additional support is required. The Engineering Officer – Facilities and Assets role performs three main functions: Asset Management, Facilities - Capital, Facilities - Operations. The new Parks & Facility Maintenance Supervisor will now take over the Facility – Operations component, which will free up capacity for the Engineering Officer to cover the additional capital program requirements.

- (b) Consolidates all building maintenance operations under one branch.

Currently maintenance operations for the Town Hall, Fire Hall, Museum and Library are handled under the Engineering Branch while parks and NSC maintenance operations are handled by the Recreation Department. By combining all buildings under one Supervisor, there will be efficiencies in maintenance operations, janitorial coverages and resource management.

(18) Tab 8 - What is this Marina Lease expense? Account 1-5-7002-5661.

As per By-Law 7269-22, the Town of Arnprior has a lease agreement with Fisheries and Oceans Canada, Small Craft Harbours Branch for the shoreline areas they own in our Marina. Under the lease agreement, the Town is required to remit 20% of slip rental revenues on an annual basis to Fisheries and Oceans Canada.

(19) Tab 8 – NSC Building – Account 1-5-7120-4100 Light, Heat, and Power - Budget vs. Actual in 2023 is 32,789 variances. Was this a one off? Are we getting more energy efficient and if so, would this not be a trend down in 2024?

Similar to residential utility bills (Hydro, Enbridge, etc) the Town only receives December invoices in mid-January (after the printing of budget). As per the Budget Presentation caveat, not all year-end invoices have been entered yet at the time of printing budget for current year actuals. This account currently sits at \$298,681.14 against a \$298,000 budget. When we set our 2024 budgets, we would have projected what we anticipate the year-end value to be.

(20) Tab 10 Community Grants – I don't see the \$3,000 National Conservancy of Canada Grant (NCC). Should it be listed here?

We have not received a grant request from the National Conservancy of Canada for the 2024 fiscal year. If they do put forward a grant request, it would be under the Town's Municipal Grant Policy, Support Funding Stream and the request would come through to Council in a staff report. Funding for the Municipal Grant Program is included in Tab 10 under account 1-5-7600-6999 in which the Town budgets \$10,000 annually.

CAPITAL BUDGET / LRCF

(21) Debenture NSC Project - Can you delve further into the process of possibly debenture this project? Why does it meet the debt management policy? Would this not push out our debt free by 2032 benchmark back? Infrastructure Ontario loans cannot be paid early to save interest or renegotiated; will other options be presented to borrow from?

For clarity, please note that debt financing is not recommended for any 2024 capital funding amounts but will be looked at over the next year to see if it is an option for 2025.

As outlined in the Town's Debt Management Policy (By-Law 7229-21), municipalities have limited resources and debt is a financial tool utilized by most municipalities as part of their funding structure. For the responsible management of the Town's financial resources and to support the Town's pay-as-you-go

model, guidelines for debt issuances are important. The servicing of long term debt must be both affordable and sustainable, while allowing the flexibility to respond to emerging needs in order to support corporate priorities and strategic plans.

Debt Management Guidelines include:

- Debt may be considered when the size of a capital project is significant and when funding cannot be accommodated within the levy or utility rate supported capital budgets and/or when no other viable sources of funding is available.
- Consideration will be given to the impact of debt on current and future ratepayers as a means to achieve an appropriate balance between debt and other forms of funding.
- Repayment of debt will be structured in a manner that is fair and equitable to those who benefit or have access to the benefit(s) from the asset(s).
- Debt servicing must be affordable, sustainable and flexible to allow financing for any appropriate corporate project or priority approved by Council.
- The Municipality has sufficient capacity within its annual debt repayment limit (ARL) to incur additional debt.

Prior to any recommendation for debt issuance, a comprehensive review of the project will be completed and provided to council, including the total cost of the project, cash flow of the project including debt issuance, operating costs after completion of the project and the benefit to the community. Alternate funding and/or borrowing options will be provided. Given the nature of the NSC Arena Slab Replacement Project, as it will extend the life of major components of the facility, spreading the cost over the life of the asset and those who benefit from the asset may be appropriate. In the current economic environment, lending rates are quite high and would need to lower for financing options to be beneficial.

(22) Machinery and Equipment - Equipment replacement - Are these at the end of life? What's the business case for these replacements?

Yes these three items are all lifecycle replacement. Under the Town's Tangible Capital Asset policy, equipment lifecycle replacement is set for 10 years for most items. The Parks Tractor (2005) is 19 years old, Parks Mower (2009) is 15 years old, and Cemetery Mower (2014) is 10 years old and all are in need of replacement. Given the length of time that it now takes to procure equipment (usually upwards of 9-12 months), proactive replacement prior to full failure of the equipment will reduce operational impacts.

RESERVES / RESERVE FUNDS / LRCF

(23) Reserves and Future Funding - The LRCF has a deficit that makes our next 1-5 years is higher than current ability to fund. Similar to the Slide titled future funding capital, can you break down an MTRI of 2.25, 2.5, and 2.75 what that impact has on future reserve balances as well as the impact to residents subject to no additional spending and that additional rate is entirely reserve related. What does an investment of .25% of the levy to reserves today translate to by 2029 and does it make any difference to the LRCF.

An investment of 0.25% MTRI generates an additional \$29,608 annually in additional revenues and \$148,040 over 5 years. As outlined on table below, a 2.25% MTRI in 2024 would generate over 5 years \$1,332,340 of additional revenues to help fund future capital. 2.50% would generate \$1,480,380 and 2.75% would generate \$1,628,415.

	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
2.25% MTRI	\$266,468	\$266,468	\$266,468	\$266,468	\$266,468	\$1,332,340
2.50% MTRI	\$296,076	\$296,076	\$296,076	\$296,076	\$296,076	\$1,480,380
2.75% MTRI	\$325,683	\$325,683	\$325,683	\$325,683	\$325,683	\$1,628,415

(24) Were there any cuts or re-evaluations of spending or projects undertaken during the crafting of the budget?

As outlined in the presentation, a significant amount of analysis is completed during the annual budget process each year, including a comprehensive review of every operating line item including a 3 year trend analysis. Each capital project is reviewed for prioritization, cost impacts and asset management impacts. This process takes over 6 months to complete and goes through multiple Departmental, Finance Branch and CAO reviews. I don't know how to quantify the amount of cuts / re-evaluations and adjustments taken during the compilation of the budget but it is substantial.

(25) How many years will it take to become financially sustainable?

This is a tricky one to answer. The budget each year is a snapshot in time and every year, numerous factors (inflation, growth, service levels, etc) impact the Town financially. However, by following the Pay-as-you-go model and making small, incremental tax rate increases over the last few terms, Council has achieved short-term fiscal sustainability. Every year, the budget is presented at a 0%. That means in the short-term, the current tax rate is generating enough

revenues to cover the annual operating budget and current year capital is funded through a combination of contributions from the operating budget, grants and reserve funds. The challenge is achieve long-term fiscal sustainability. It depends on over what timeline does Council want to close their infrastructure funding gap and meet the Asset Management reinvestment targets. The recommendation of a 2.0% municipal tax rate increase to go towards funding future capital investment is a good step towards long-term financial sustainability.

Please let me know if you have any further questions.

Sincerely,

Jennifer Morawiec, CPA, CMA, CFE
General Manager, Client Services / Treasurer

Cc. Cassidy Marshall, A/Manager of Finance, Robin Paquette, CAO
John Steckly, GM Operations, Graeme Ivory, Director of Recreation



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Memo

To: Members of Council

From: Jennifer Morawiec, General Manager, Client Services / Treasurer

Date: February 5, 2024

Subject: **2024 Draft Budget Queries – Memo #2**

The following provides responses to comments and questions received from members of Council pertaining to the Draft 2024 Budget.

OPERATING BUDGET

- (1) **Tab 3 – Council Receptions** (Account 1-5-1110-5820) – What is this line item?

This account covers items including awards, Secondary School Bursaries, retirement tokens (watches) given from Council, and the two Council supported employee recognition events, staff summer BBQ and holiday party. This account also covers other various reception items such as during the election year, the inaugural meeting of Council.

- (2) **Tab 5 - Asphalt R&M – Contracted Services** (Account 1-5-2100-5660) – Is the \$80,000 enough given the variance to 2023 actuals?

Additional expenses (\$80K) were incurred in 2023 for curb / sidewalk repairs on Daniel Street to coincide with work the County of Renfrew was doing. These were one-time expenses for the year and do not anticipate this level of expense for 2024. Also, typically the Rolling Road Rehab capital project includes additional funding for curb / sidewalk repairs but the 2023 Rolling Road Rehab funds were dedicated to the strip and pave surface and replacement of curb & sidewalks for Smolkin, Cranston, Gardner & Maple.

- (3) **Tab 5 – Winter Control – Operating Supplies** (Account 1-5-2400-4060) - Do we anticipate an overage again for WC Operating supplies? We were \$22K over in 2023, but have only increased by \$10K for budget. If this is due to inflationary pressures, shouldn't we be budgeting closer to that \$192K?

Winter control expenses vary significantly year by year based on the number and nature of winter events. As outlined below, the average annual cost of winter control supplies over the last five years is \$166K. The 2024 budget of \$180K should be sufficient. If not, the Town’s winter control reserve (balance \$1,059,641) is intended to cover years where the number of winter control events and resulting costs are higher than anticipated.

Account Code	Account Description	2023 ACTUAL VALUES	2022 ACTUAL VALUES	2021 ACTUAL VALUES	2020 ACTUAL VALUES	2019 ACTUAL VALUES
1-->	GENERAL OPERATING FUND					
2400-->	Winter Control					
5-->	EXPENSE					
1-5-2400-1180	WC - LABOUR	138,676	110,603	102,933	113,163	141,832
1-5-2400-2210	WC - BENEFITS	32,028	25,570	21,503	22,579	27,827
1-5-2400-4060	WC - OPERATING SUPPLIES	196,794	140,943	160,291	129,174	204,921
1-5-2400-5360	WC - EQUIPMENT RENTAL-INTE	288,400	206,480	217,073	277,743	226,107
1-5-2400-5660	WC - CONTRACTED SERVICES	119,343	116,094	36,308	64,781	363,584
1-5-2400-7730	WC - TO RESERVE	0	0	90,000	90,000	90,000
	Total EXPENSE	775,241	599,690	628,108	697,440	1,054,271

- (4) **Tab 6 – Cemetery – Investment income** from the Perpetual Care and Maintenance Account currently only covers 16.5% of the annual operating costs. Will this cost centre ever truly be “cost recovery”? Should we be adding to the Perpetual Care and Maintenance account to increase the interest earned?

It would require a significant investment be added to the Cemetery Trust in order to earn enough interest to cover annual operating expenses. Funds invested in the Cemetery Trust are also subject to a number of restrictions as set by the Bereavement Authority of Ontario (BAO) and once funds are invested in the Perpetual Care and Maintenance trust (principal) cannot be removed from the fund. They are there in perpetuity to generate interest earned to cover the cost of cemetery maintenance. To generate additional funds for the cemeteries, without significant restrictions, it would be better for Council to include more funds in the Cemetery Reserve Fund instead of the Cemetery Trust. Additionally, as cemeteries reach capacity, they begin to serve and function more as a park space.

- (5) **Tab 7 – Water Meters – New – Operating Supplies** - Is this is a growth demand coupled with inflationary pressures, should we budget closer to our 2023 actuals? (\$10K more).

When the Building Services Department issues a building permit for a new build, the fees include a fee for installation of a new water meter. These revenues are included under 1-5-4300-0417. The expense cost centre is the cost for Operations staff to install the new meters. This work is completed on a cost recovery basis. If an additional meters are needed for install, the expense for those meters are offset by the additional revenues from the building permits. In any given year however, the revenues will not match the expenses exactly for a number of reasons. There is a time lag between when a developer pays the water meter fee on their building permit and when the meter is installed when the house is built. Secondly, the Operations department will order meters in bulk and maintain an inventory of meters. If the amount is material, an adjustment will be made through our year-end accounting process to account for the inventories.

- (6) **Tab 7 – Waste Management – Pilot Project** - If we were to earmark a transfer from waste management reserves of another \$22.5K to anticipate another 100 countertop composters, would the \$309,529 left in reserves be sufficient?

The estimated net cost of the composter pilot program was set in the 2024 budget at \$11,200 (\$33,700 expense less \$22,500 revenues). Should the pilot program be successful and Council wishes to proceed with a second pilot project later in the 2024 calendar year, staff could analyse the current operating impact, reserve balances and recommend a funding option at that time.

- (7) **Tab 7 – Waste Management – Transfer from Reserve** (1-4-4410-0900) of \$40,950. If this cost centre did not use reserve funds to balance, what would the impact be on the Garbage / Landfill rate (currently increasing from annual cost of \$150 to \$170).

The Garbage / Landfill rate would need to increase from \$170 to \$178 to raise an additional \$40,950 in revenues and avoid the transfer from the Waste Management Reserve.

- (8) **Tab 7 – Waste Management – Contracted Services** – Could we see a cost analysis of doing garbage collection in-house?

The Town's current contract for garbage collection covers a five-year period from April 2024 to March 2029. Putting together a comprehensive analysis of the cost and impacts for in-house garbage collection could be completed by staff however would recommend this exercise be completed closer to the end of the current contract as the costing information could significantly change over the next five years.

- (9) **Tab 9 – Marketing & Econ Development – CIP Grants** (Account 1-5-8200-6997) – Was the total budget \$15K for this grant line not committed in 2023?

Yes, the total CIP grant amount was committed for 2023. Staff reconcile this account at year-end (there is a delay between when funds are committed and when the recipient completes the works and the grant funds are issued) and all year-end entries had not yet been entered at time of printing budget.

CAPITAL BUDGET

- (10) **Linear Infrastructure – Madawaska Blvd Sidewalk** project was presented initially with McNab sidewalks. Will these be two separate projects?

While the two projects were grouped together for design purposes, due to the rising scope and costs of these projects, their construction is planned separately with Madawaska Blvd sidewalk planned for 2024 and McNab St sidewalks planned for 2025.

- (11) **IT Server Upgrades** - What additional benefits will the upgrades to IT infrastructure bring? This is a significant cost and I would like to see further justification / details.

Our current large scale server will be out of warranty and will no longer be fully supported by the manufacturer if something requires repair in 2024. With the growth of the Town and the Town's network and functionality, the new replacement server has to meet these growing specifications. This cost includes, hardware, software licenses, warranty, labour, back-up and disaster recovery.

LRCF

- (12) **Dog Park:** what would be the budgetary implications of advancing the dog park from 2026 to 2024? Is it fully funded by DC funds? Is there any downside to advancing it to 2024?

The provision for a dog park and the capital cost to build is funded through Development Charges and is currently estimated at \$35,000. The proposed method to cover the annual operating costs of a dog park would be through increased pet tag licensing costs, implemented through the Clerks Office. Determining an appropriate location for the dog park is proving challenging. Staff are still looking at alternate locations for Council consideration. The Recreation Master Plan currently in progress may contain additional information for consideration.

- (13) **Arena A&B Scoreboards:** Just a note about the scoreboards (I know this is 2025). We have both Arena A&B Scoreboards @ \$22,500 and Arena B Scoreboard @ \$22,500. Are the scoreboards @ \$22,500/ea? Also do the scoreboards we have budgeted for include a permanent ringette shot clock for arena B?

Apologies this was a typo. The LRCF lines should say:

Arena A Scoreboard	\$22,500
Arena B Scoreboard	\$22,500

Yes, replacement scoreboards include permanent ringette shot clocks on both arenas.

- (14) **Pool Family Change Room & Renos:** Would there be any budgetary benefit to bring the pool family change room renos under the umbrella of the NSC project? While due in 2026, they are in sad shape right now

The design for the NSC Arena Slab Replacement project is significantly underway and this project is on a tight timeline. Pausing this project to include the design and specs for the family change rooms is not recommended. Additionally, the logistics of having the pool and the arenas under construction at the same time would be difficult to manage.

- (15) **LRCF Funding Gap** – How much would the Tax Levy need to be raised in order to close the LRCF infrastructure gap?

As the projects in the LRCF are funded through multiple sources (Levy, Water / Wastewater Rates, Development Charges, Grants, etc.) all these components are considered as part of how to fund the long-range capital forecast. At a high level, the average annual investment to fund the LRCF (snapshot in time) is \$9.3M. With grants included, the 2024 budget generated \$8.5M of funds available for capital investment.

Example: \$800K funding gap – assume \$400K from Levy, \$400K from W/WW

- Levy – each 1% MTRI generates \$118,431 in additional revenues
- Water / Wastewater – each 1% increase generates \$76,500 in additional revenues

Closing the Infrastructure Gap (snapshot in time – 2024): Therefore a 3.4% Levy increase would generate an additional \$400K and a 5.25% Water/Wastewater increase would generate an additional \$400K.

RESERVES / RESERVE FUNDS

- (16) **Marketing & Economic Development Reserve** – Why is there an annual transfer to this reserve of \$15K and what are the go forward plans for this reserve?

As per the Reserve and Reserve Fund Policy:

1.3 Marketing & Economic Development

Background: This reserve was established in 2013. The purpose is to set aside funds to be used to cover costs associated with marketing and promoting the Town of Arnprior, as well as Economic Development programs and initiatives such as Community Improvement Plan programming and business attraction and retention.

Limits: Not less than \$100,000.

Policy: The Town will contribute an amount of not less than \$15,000 annually at least until the minimum limit is reached. Should there be any surplus funds in the Marketing & Economic Development budget at the end of a given year the Town will deposit those surplus funds into this reserve at least until the minimum limit is reached. Should use of this reserve result in a balance which is below the minimum limit, the annual contributions contemplated herein will continue at least until the minimum limit is reached. Use of this reserve shall require a resolution of Council outlining in detail the costs and uses of the funds, or may also be approved as part of the annual budget approval process.

Council has utilized this reserve for a number of initiatives including in 2023 funding the Employment and Industrial Gap Study.

- (17) **By-Law Enforcement Services** – The OPP provides an annual billing statement with a comprehensive breakdown. Does MLES provide supporting documents for their provision of by-law services?

The Town of Arnprior's contract for by-law enforcement services with MLES covers 2023 to 2025 with the option to extend for an additional two years. The contract includes the requirement to provide monthly service reports for the Town which are provided to the Clerks Office as their responsible includes management of the By-Law enforcement contract. Recently in 2023, Council was provided with a summary service report by enforcement category covering 2014 to 2022.

- (18) **Arnprior Public Library** should follow the Joint Use Agreement (in making proportional funding requests with McNab/Braeside). Did we always follow this same methodology when adding recreational programming staff in the past under the rec agreement?

What triggers the requirement under the Joint Use Agreements for approval in writing by McNab / Braeside is the implementation of additional programs or service levels beyond those already in place. The Library has indicated that the additional Community Librarian position is to provide additional adult programming beyond what they currently offer and in the past has made changes to the level of hours the facility is open for services.

Service level changes for Recreation also triggered this requirement. For example, when the NSC was closed during the pandemic, this was a service level change and a modification to the funding calculation (discount) had to be approved by McNab/Braeside. Currently, while the Recreation department staffing numbers may vary year to year, the programs and service levels offered by the recreation department (those that are included in the recreation calculation) have effectively remained the same. If the Town were to add another arena ice pad requiring staffing, or significantly change hours of operation of the NSC building, this would have triggered a requirement to request approval to include these new expenses into the calculation.

- (19) **Airport:** What options are there to fund the airport, but restrict their access to funds based on satisfactory completion of the audit etc? What would be customary, especially taking into account their non-compliance last year?

While the Arnprior Airport began the audit process for their 2022 fiscal year end in December 2023, the process is not yet completed and audited statements have not yet been provided. Currently 25% of the 2023 grant is still being held conditionally on the completion of the audit process. For the Budget Consultation process, the Airport was unable to provide the requested financial information (budget to actual comparison for 2023 year-to-date). Without audited financial statements (2022) and any budget-to-actual data (2023), it is difficult to assess their financial status and support their ask for \$60,000 in 2024. A 2023 profit-loss report was provided by the Airport January 18th, 2024 however there are concerns over the quality of the data. The report shows a \$50,569 profit which doesn't align with the Airport's presentation that due to reduced revenues and higher expenses the need to increase their grant by \$5,000 to \$60,000.

For 2024, until further financial information can be provided, Council should consider placing further conditions on the provision of grant funds. Example caveats for Council consideration:

That the Council of the Corporation authorize a \$55,000 annual grant to the Arnprior Airport for 2024 on the following conditions:

- (a) 25% of the grant funds be issued by March 31, 2024;
- (b) 25% of the grant funds be issued upon completion of the financial audit for the 2023 fiscal year; and
- (c) For the remaining 50% of the grants funds, the Town reserves the right to issue in whole, in part or withhold, dependent upon the results of the 2022 and 2023 financial audits.

Please let me know if you have any further questions.

Sincerely,

Jennifer Morawiec, CPA, CMA, CFE
General Manager, Client Services / Treasurer

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Memo

To: Members of Council

From: Jennifer Morawiec, General Manager, Client Services / Treasurer

Date: February 5, 2024

Subject: **2024 Draft Budget Queries – Memo #3**

The following provides responses to comments and questions received from members of Council pertaining to the Draft 2024 Budget.

OPERATING BUDGET

- (1) **Tab 5 – Streetlights – Contracted Services** (Account 1-5-2350-5660) - Is this increased budget the result of investing in additional streetlights / PXO, or will it be an ongoing expense in servicing out-of-warranty LED fixtures?

An additional PXO will be installed in 2024 on Baskin Drive. Total estimated cost of the new PXO is \$35K. \$25K will be funded from this operating account and \$10K was received from the CECCE school development to cover partial costs of the PXO. The remaining funds in this account will be for maintenance of our current inventory of light fixtures.

- (2) **Tab 5 – Winter Control** - What are the budgetary implications in adding the following to the priority route: Arthur Street, Charles Street, Madawaska Blvd (New sidewalk/path that will be in place).

A comprehensive staff report would be required to complete a full analysis on the costs to amend the Town's priority routes. Should Council request this, staff can prepare a staff report in 2024 outlining these costs for Council consideration for the next winter season.

- (3) **Tab 5 – Winter Control - School Bus Loading Zones/School** drop off zones - Significant concern about snow clearing on Landrigan @ John XXIII and @ St. Joseph's. We create a large barrier of snow between road cut-ins and the sidewalk that effectively blocks off the loading zones, particularly the accessible

loading zones, at both of these schools. What would be budgetary implications of concentrating specifically on school loading zones to completely remove the snow from the loading zone/sidewalk area?

The Town already clears the snow from both of these two lay-bys as part of the priority network and removes the snow regularly after major snow falls.

- (4) **Tab 7 – Waste Management – Contracted Services** – Could we see a cost analysis of doing garbage collection in-house?

The Town's current contract for garbage collection covers a five-year period from April 2024 to March 2029. Putting together a comprehensive analysis of the cost and impacts for in-house garbage collection could be completed by staff however recommend this exercise be completed closer to the end of the current contract as the costing information could significantly change over the next five years.

CAPITAL BUDGET

- (5) **Cemetery Mower Replacement and Parks Mower Replacement:** How many hours are on both of these machines? I'm concerned that the Parks Mower has been in use for 5 years more than the Cemetery one yet is reaching end-of-life now.

The cemetery mower has over 2,000 hours and has now reached the end of its projected useful life of ten years in accordance with the Town's Tangible Capital Asset policy. The parks mower is 18 years old and has also reached the end of its useful life and is in need of replacement.

LRCF

- (6) **Albert St.** is in terrible shape now. Are there interim measures (shave and pave?) to somehow mitigate this until it is due for the reconstruction project in 2028-29?

Staff are looking at undertaking a few strategic asphalt patches on Albert Street this year as part of the rolling road rehab program. This will provide some temporary improvement to the driving surface until the street and all underground infrastructure are able to be completely reconstructed.

- (7) **Caruso Street from Ida to Caruso Street park** have no sidewalks and this is a safety hazard for families and children that walk to the park. There was work done along here in the recent past to replace the surface, but sidewalks were never installed. With the installation of the new Caruso Street Park, what would the budgetary implications be for installing a small stretch of sidewalk to link Ida to the park itself?

Staff have identified this stretch of Caruso St as an area to consider extension of sidewalk, and have included it on the list of potential improvements being considered as part of the ongoing Transportation Mater Plan (TMP). Unfortunately, with the current rural cross section configuration (ie. roadside ditches), further upgrades to the storm sewer network will also need to be engineered and constructed to accommodate a sidewalk throughout. There are also watermain upgrades required in this section of Caruso Street which increase the cost of the project. Currently the LRCF identifies this project, along with repairs to portions of Charlotte St and Norma St, in the year 2032 at an estimated cost of \$2.5 million.

- (8) **Pool Family Change Room & Renos:** Would there be any budgetary benefit to bring the pool family change room renos under the umbrella of the NSC project? While due in 2026, they are in sad shape right now

The design for the NSC Arena Slab Replacement project is significantly underway and this project is on a tight timeline. Pausing this project to include the design and specs for the family change rooms is not recommended. Additionally, the logistics of having the pool and the arenas under construction at the same time would be difficult to manage.

- (9) **Vehicles - Sidewalk plow:** We do not have fleet expansion earmarked until 2026 for a sidewalk plow. We appear to not have redundancy in place right now if a plow breaks down as it did last snowfall when Madawaska Blvd could not be plowed. I am concerned with the growth, especially with the new path down Madawaska, that we need to consider fleet expansion now.

The Town currently has two sidewalk snow plows which are typically sufficient to manage the current winter control requirements of the Town's priority route, however if an unforeseen breakdown occurs during a major winter event, it can have an impact on the Town's response times. Should Council wish to expedite the fleet expansion purchase of an additional sidewalk snow plow from 2026 to

2024, it would result in an additional draw from DC reserves in 2024 at an estimated amount of \$185,000.

GENERAL

- (10) Can you provide a comparison to other apples to apples municipalities like Arnprior and their tax rate increase they are considering? Towns like Renfrew, Carleton place, Perth, Pembroke. Etc?

Each municipality is different and has unique issues impacting their current proposed year tax rate increases. To provide proposed tax rate increases for other municipalities without any supporting context or information could be misleading. For example, the Town of Renfrew does not have a separate Garbage Collection fee for residents but instead includes those costs in the levy totals. This would make their levy rates not equally comparable to Arnprior.

Please let me know if you have any further questions.

Sincerely,

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