



**TOWN OF ERIN
Special Council Meeting
AGENDA**

December 15, 2015

4:00 PM

Municipal Council Chamber

Pages

- 1. Call to Order**
- 2. Declaration of Pecuniary Interest**
- 3. Topics for Discussion**
 - 3.1 2016 Capital Budget**
 - 3.1.1 Financial Analyst - Capital Budget 2016 – Draft: Dec 15, 2015** 1 - 3
 - 3.1.2 Financial Analyst - Water Dept Capital Budget 2016 – Draft: Dec 15, 2015** 4 - 6
- 4. Adjournment**



Staff Report

Report #: 2015- 16

Date: December-15-15

Submitted By: Larry Wheeler / Financial Analyst

Subject: Capital Budget 2016 – Draft: Dec 15, 2015

Recommendations:

Be It Resolved, that Council of the Town of Erin hereby:

- 1) Receives Report 2015- 16 'Capital Budget 2016 – Draft: Dec 15, 2015' as information.

Background:

In the interest of taking advantage of the benefits of having the Town's 2016 capital projects approved by Council prior to the beginning of the fiscal year, Council has directed staff to bring forth a draft 2016 Capital Budget.

Financial Impact:

Tonight's draft 2016 Capital Budget very closely resembles the first year of the 2016 – 2020 Five Year Capital Plan, as it was last presented.

There have been a few minor alterations:

- 1) Three projects (Compensation Review, Official Plan Update, Zoning By-law) have been partially shifted to the Operating Budget.

There have been three medium sized alterations:

- 1) The replacement of the Centre 2000 Theatre Roof has been deferred pending a qualified roofer's report, and pending an UGDSB final cost share agreement.
- 2) Funding for the Erin Rotary River Walk Feasibility Study was expected to be a 100% Trillium Grant. That Grant application by Econ Dev has just recently been declined.
- 3) With regard to the Municipal Office renovations, the total project cost has not increased but \$40,000 has been moved forward to 2016.

The 2015 Capital Budget as approved used \$833,500 in same year tax funded dollars. Our Asset Management Plan recommends increasing that amount annually by 2.5% plus inflation

in order to begin making a dent on deferred capital projects – which would translate to \$863,000 for 2016. Currently the draft budget as presented here tonight is \$120,000 above that target.

Consultation:

Particularly with respect to 2016 capital projects, staff continue to refine needs, timing, suppliers, and funding sources. Later tonight we will hear a delegation from Fire Marquis.

Communications Plan:

Council is aware that capital decisions naturally have monetary repercussions for the upcoming operating budget discussions i.e. debt servicing costs, repair & maintenance, etc. So it would seem prudent on Council's behalf if possible to reach consensus on a 2016 Capital Budget in advance of that process.

Conclusion:

If Council is able to pass the 2016 Capital Budget tonight, staff will begin the procurement process immediately. There are numerous advantages to an early start, including the reduction of both interest rate risk and currency exchange risk. As well, projects which are timing specific to a particular season, and projects that can be coat tailed with the county or our peers may achieve some savings.

Appendices:

2016 Capital Budget: Draft: Dec 15, 2015



**TOWN OF ERIN
2016 CAPITAL BUDGET**

Draft: Dec 15, 2015

Project Description	2015 Capital Budget		SOURCES OF FINANCE							Property Tax	
	BUDGET 2015	2016	Grants	Trade-ins, Donations	Reserves, Reserve Funds	Development Charges	New Capital Fees	Assessment Growth	Debt		
	2015	2016									
GENERAL GOVERNMENT											
Organization & Compensation Review - Major Study	\$ 12,500	\$ 15,000								\$ 15,000	
Municipal Offices - Entrance Sign	\$ 8,300	\$ 2,500								\$ 2,500	
Green Energy Conservation Plan		\$ 8,000								\$ 8,000	
Financial Systems Upgrade Project		\$ 30,000								\$ 30,000	
Records Management & Storage Project		\$ 30,000			\$ 1,627					\$ 28,373	
I.T. Systems	\$ 34,560	\$ 36,500								\$ 36,500	
Municipal Offices - Renovations (CAO)	\$ 5,000	\$ 50,000								\$ 50,000	
Telephone System		\$ 25,000			\$ 10,000					\$ 15,000	
General Government - Totals by Year		\$ 197,000	\$ -		\$ 11,627	\$ -	\$ -	\$ -	\$ -	\$ 185,373	\$ 197,000
FIRE & EMERGENCY											
Custom Pumper Rescue Truck	\$ 264,000	\$ 357,000							\$ 357,000	\$ -	
Radio System upgrade, similar to County's 400MHz		\$ 40,000								\$ 40,000	
Erin Firehall 10 - expansion		\$ 20,000								\$ 20,000	
Fire Dept - Totals by Year		\$ 417,000			\$ -	\$ -	\$ -		\$ 357,000	\$ 60,000	\$ 417,000
ROADS											
ROADS - Equipment											
Wheel Loader - Case 621D, bucket, forks, 2006		\$ 210,000		\$ 60,000	\$ 140,000					\$ 10,000	
Trackless - MT Series 5 + various accessories, 2006		\$ 148,000		\$ 20,000						\$ 128,000	
Radio System upgrade, similar to County's 400MHz		\$ 40,000								\$ 40,000	
Road Equipment - Totals by Year		\$ 398,000		\$ 80,000	\$ 140,000			\$ -		\$ 178,000	\$ 398,000
ROADS - Auxiliary Infrastructure											
Sidewalk build - CR 124, Erin village north, Tim Horton's		\$ 250,000			\$ 171,000	\$ 79,000				\$ -	
ROADS - Road Construction											
Rural Reconstruct - 17 Sideroad	\$ 624,000	\$ 774,988	\$ 327,442			\$ 223,773			\$ 223,773	\$ -	
Urban Reconstruct - George St, section 01422	\$ 267,130	\$ 131,000	\$ 59,729						\$ 71,271	\$ -	
Urban Reconstruct - Church St		\$ -							\$ -	\$ -	
Urban Reconstruct - Daniel St (Ross to south of Church)	\$ 50,000	\$ 50,000	\$ -							\$ 50,000	
Pulverize & Resurface - 2nd Line	\$ 350,000	\$ -	\$ -							\$ -	
Road Construction - Totals by Year		\$ 955,988	\$ 387,171			\$ 223,773			\$ 295,044	\$ 50,000	\$ 955,988
ROADS - Bridges & Culverts											
Station St Rehabilitation, includes Bridge 2064 (E.A.)	\$ 145,057	\$ 50,000	\$ -							\$ 50,000	
Culvert 2045 - Replace (4th L sth of 17SR) BCI:55.65	\$ 35,000	\$ -								\$ -	
Bridge 1 - Replace (Winston Chch, 1 Lane) BCI:59.21		\$ 700,000							\$ 700,000	\$ -	
Culvert 2011 - Rehab (10th L sth of 15SR) BCI:73.90	\$ 12,000	\$ -								\$ 12,000	
Bridges & Culverts - Totals by Year		\$ 762,000	\$ -						\$ 700,000	\$ 62,000	\$ 762,000
ROADS DEPT - Totals by Year		\$ 2,365,988	\$ 387,171	\$ 80,000	\$ 311,000	\$ 302,773	\$ -	\$ -	\$ 995,044	\$ 290,000	\$ 2,365,988
ENVIRONMENTAL											
Prepare Terms of Reference - Drinking Water EA	\$ 52,800	\$ -								\$ -	
Prepare Terms of Reference - Waste Water EA	\$ 35,500	\$ -								\$ -	
SSMP Environmental Assess. - Drinking Water	\$ 202,290	\$ 202,290			\$ 120,000	\$ 82,290				\$ -	
SSMP Environmental Assess. - Waste Water	\$ 200,000	\$ 200,000	\$ 175,000			\$ 25,000				\$ -	
Environmental - Totals by Year		\$ 402,290	\$ 175,000		\$ 120,000	\$ 107,290				\$ -	\$ 402,290
RECREATION											
Hillsburgh Community Centre											
Evaporative Condenser		\$ 48,500								\$ 48,500	
Millwork - Lobby & concessions		\$ 10,600		\$ 6,000						\$ 4,600	
Paint exterior cladding		\$ 11,500								\$ 11,500	
Accessibility renovations		\$ 11,200	\$ 10,000							\$ 1,200	
Hillsburgh Community Centre - Totals by Year		\$ 81,800	\$ 10,000	\$ 6,000						\$ 65,800	\$ 81,800
Erin Community Centre											
Paint exterior cladding		\$ 10,400								\$ 10,400	
Hall - Chairs		\$ 15,600								\$ 15,600	
Erin Community Centre - Totals by Year		\$ 26,000	\$ -					\$ -	\$ -	\$ 26,000	\$ 26,000
Centre 2000											
Centre 2000 Sewage Agreement		\$ 20,000								\$ 20,000	
Theatre - Replace roof		\$ 0								\$ -	
Outdoor Recreation Fields											
Playground equipment program		\$ 160,000	\$ 50,000							\$ 110,000	
Barbour Field - upgrade septic system		\$ 95,000								\$ 95,000	
Pickup Truck - 3/4 ton, 4x4		\$ 59,000		\$ 5,000						\$ 54,000	
Outdoor Recreation Fields - Totals by Year		\$ 314,000	\$ 50,000	\$ 5,000						\$ 259,000	\$ 314,000
RECREATION DEPT - Totals by Year		\$ 441,800	\$ 60,000	\$ 5,000	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 370,800	\$ 441,800
PLANNING											
Official Plan update		\$ 0								\$ -	
Zoning By-law update		\$ 0								\$ -	
Planning - Totals by Year		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ECONOMIC DEVELOPMENT											
Walking Trail		\$ 20,000	\$ 10,000							\$ 10,000	
Erin Rotary River Walk - Feasibility Study		\$ 66,300	\$ 0							\$ 66,300	
Economic Development - Totals by Year		\$ 86,300	\$ 10,000							\$ 76,300	\$ 86,300
GRAND TOTAL >		\$ 3,910,378	\$ 632,171	\$ 85,000	\$ 448,627	\$ 410,063	\$ -	\$ -	\$ 1,352,044	\$ 982,473	\$ 3,910,378
Total Capital Budget for 2015 >		\$ 3,757,637									\$ 3,910,378
Total Capital Budget for 2016 >		\$ 3,910,378									



Staff Report

Report #: 2015- 17

Date: December-15-15

Submitted By: **Larry Wheeler / Financial Analyst**

Subject: Water Dept Capital Budget 2016 – Draft: Dec 15, 2015

Recommendations:

Be It Resolved, that Council of the Town of Erin hereby:

- 1) Receives Report 2015- 17 'Water Dept Capital Budget 2016 – Draft: Dec 15, 2015' as information.

Background:

Since completion of the '10 Year Water Financial Plan' in May of this year, staff and Council have not revisited the projected future capital projects for the Water Department.

Financial Impact:

Water Department capital projects are not funded with tax payer dollars, but instead rely on cash flow from the Town's two water systems.

Consultation:

During the process of completing our Water Dept 'Ten Year Financial Plan' and 'Five Year Water Rates Study' Town staff and Council worked extensively with our consultant 'GSS Engineering' from Owen Sound. One of the deliverables from that contract was a 'Ten Year Capital Plan' for the years 2015 to 2024.

Communications Plan:

As with all other Departments, capital budget decisions will have monetary repercussions for the upcoming 2016 operating budget discussions. Once the capital budget is adopted (even in principle), Water Dept staff will commence planning procurement, man power, and resources for the 2016 fiscal year.

Conclusion:

As a result of the major regulatory studies completed in 2015 for the purposes of renewing our water distribution license, our Water Department is further advanced on the strategic planning curve than our other departments. Additionally, the operations of our Water Department are functionally intertwined with the ongoing SSMP Environmental Assessment. Still though, approving this 2016 capital budget now is an important and necessary step towards an efficient and effective commercial operation.

Appendices:

2016 Water Dept Capital Budget: Draft: Dec 15, 2015



TOWN OF ERIN 2016 CAPITAL BUDGET

Draft: Dec 15, 2015

Project Description	Illustration Only 2015 Capital BUDGET 2015	Capital Budget 2016	SOURCES OF FINANCE							
			Grants	Trade-Ins, Donations	Reserves, Reserve Funds	Development Charges	New Capital Fees	Assessment Growth	Debt	Property Tax
Water Dept										
Meter Replacement Program	\$ 11,000	\$ 11,000			\$ 11,000					\$ -
Radio Meter Reading Device		\$ 8,500			\$ 8,500					\$ -
New Water Supply - Village of Erin		\$ 120,000			\$ 60,000	\$ 60,000				\$ -
Watermain; Church Blvd W		\$ 490,000			\$ 490,000					\$ -
Water Hydrants x 2		\$ 12,000			\$ 12,000					\$ -
Plough equipment (Truck # 12)		\$ 10,000			\$ 10,000					\$ -
SCADA Hillsburgh + Erin Enhancement		\$ 185,000			\$ 185,000					\$ -
Water Dept - Total		\$ 836,500	\$ -		\$ 776,500	\$ 60,000	\$ -	\$ -	\$ -	\$ -

Total Capital Budget for 2015 >	>	\$ 142,000
Total Capital Budget for 2016 >	>	\$ 836,500