



# MUNICIPALITY OF WEST ELGIN 2022 DRAFT BUDGET

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JANUARY 20, 2022

# PROPOSED 2022 BUDGET TIMELINE

- January 20, 2022  
Summary of Draft Operating &  
Capital Budget
- February 3, 2022  
Committee of the Whole

# DRAFT BUDGET OBJECTIVES FOR 2022

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1

Maintain Services

2

Meet Asset Management O. Reg. 588/17 July 1, 2022 deadline.

3

Focus on Deferred Projects and Process Improvement

4

Improve Public Communication

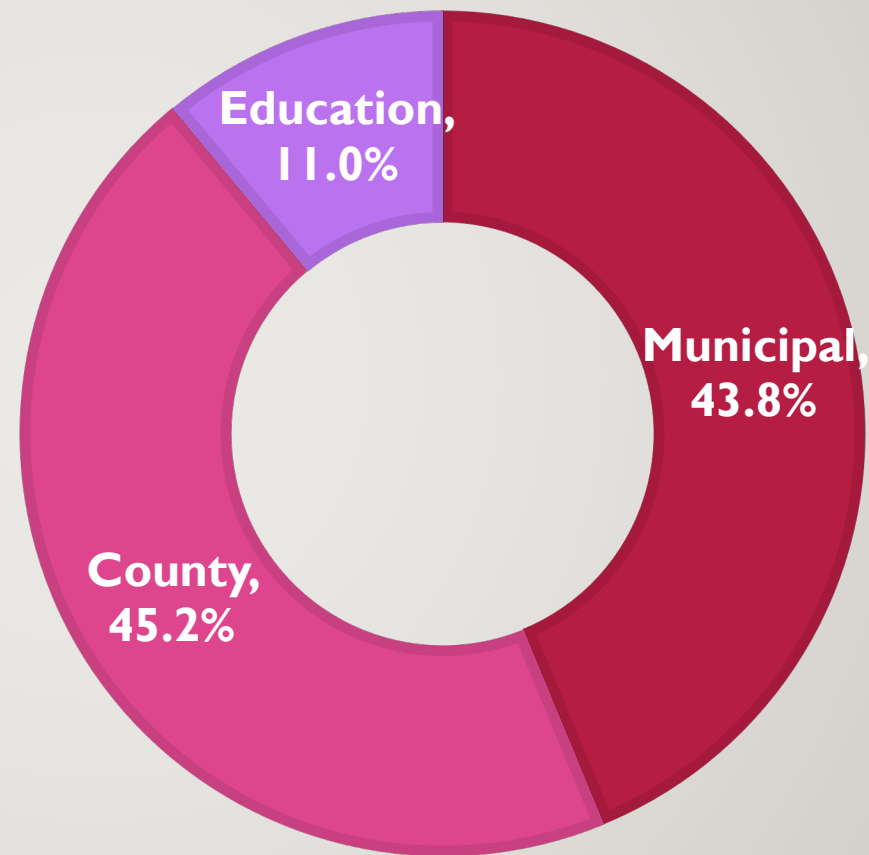
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Prepare for Municipal Election

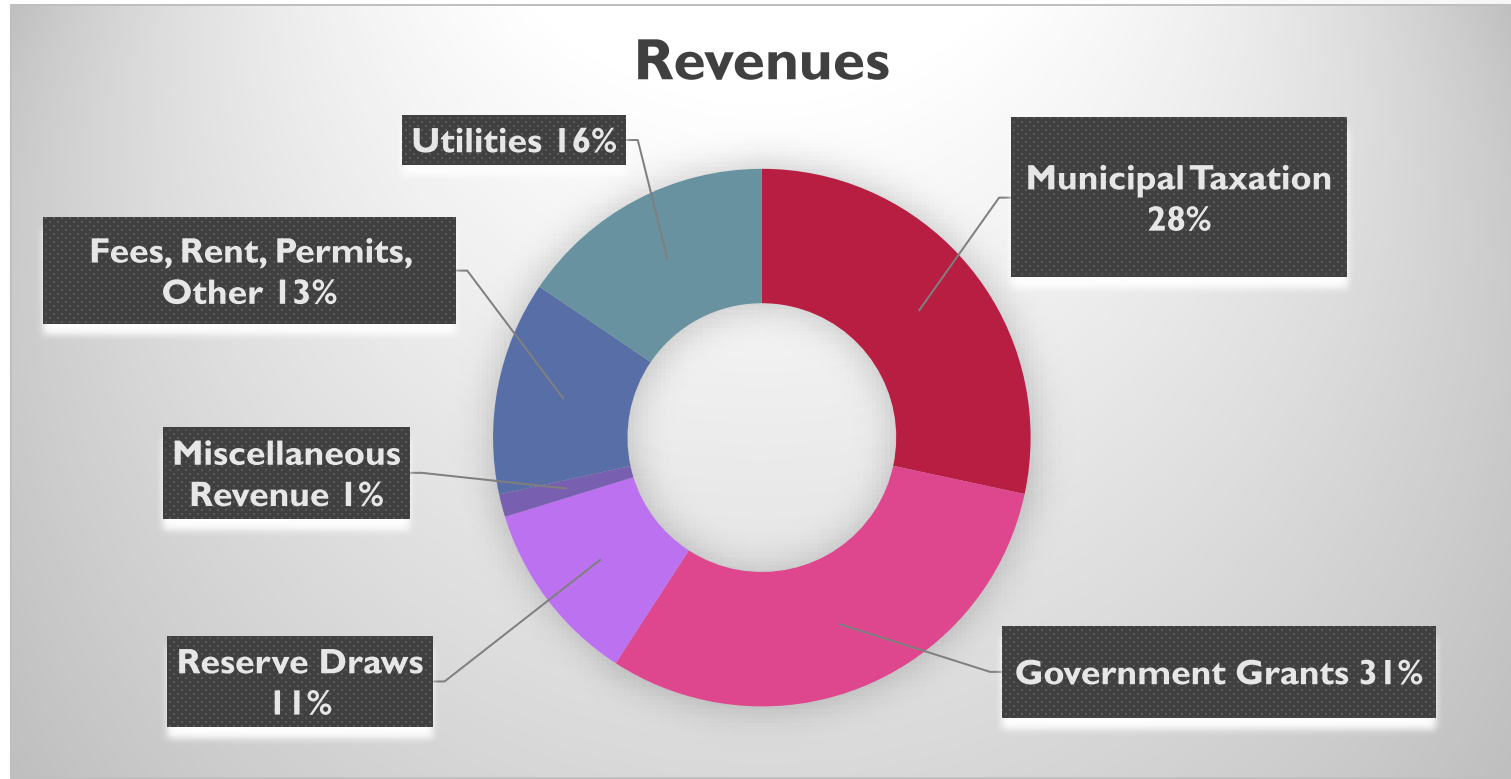
## 2022 BUDGET SUMMARY

- 2022 Draft Budget proposes 3.87% levy increase; Council can choose to accept this proposal and vote to approve Capital and Operating Budget as presented, resulting in an increase in **Municipal** portion of the property tax rate of 2.36%; which raises \$3,803,179.43 in total property taxes.
- This would be an annual increase of about \$28.34 per year (or \$2.36/month) for a residential home valued at \$200,000.00.
- For 2022 a 1% property tax increase represents approximately \$60,000.
- We are assuming no change in County and School Board rates.

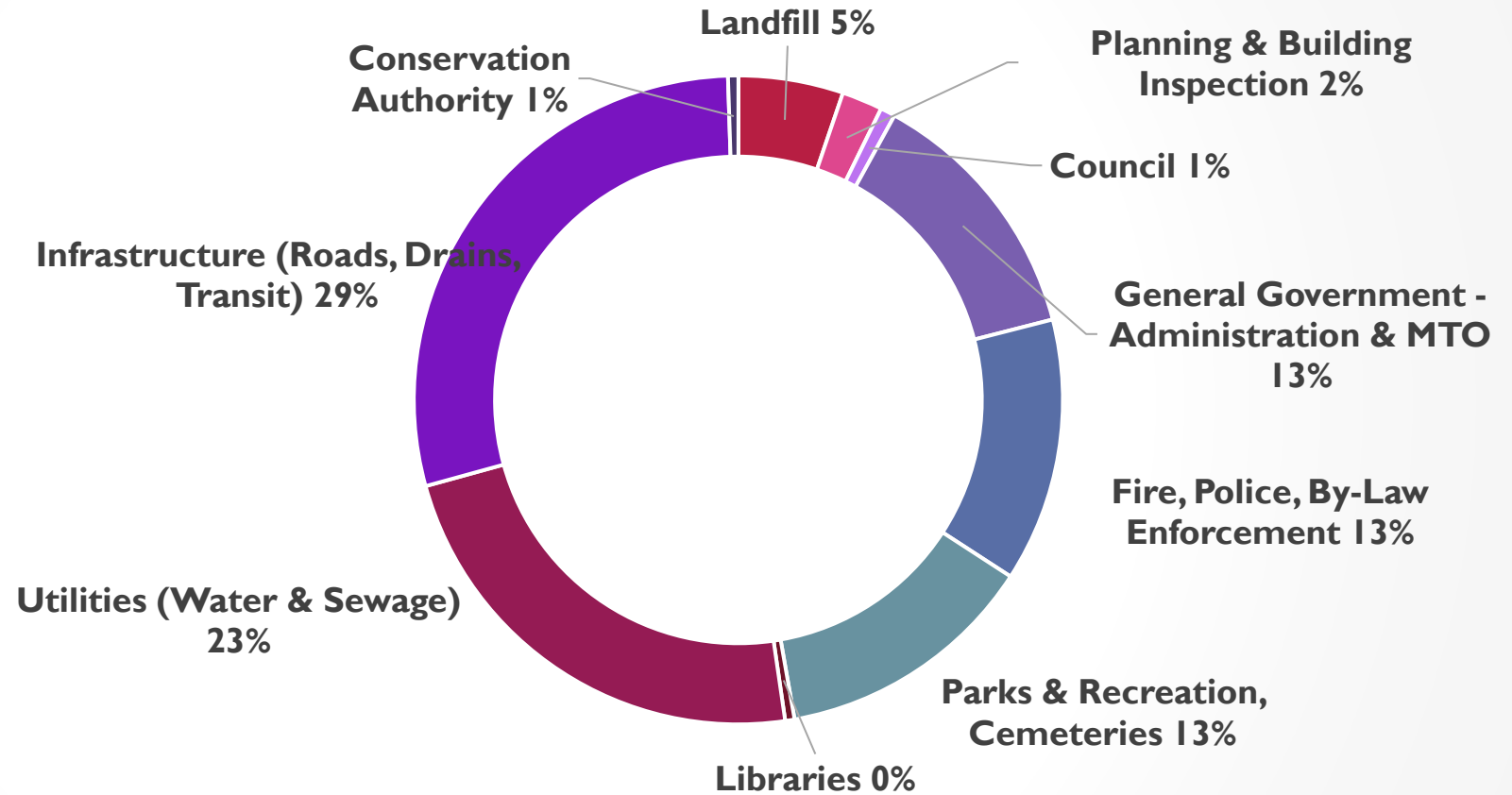
# HOW YOUR TAX DOLLARS GET SPENT?



REVENUES  
**\$13.4M**



**EXPENSES**  
**\$13.4M**





# FACTORS AFFECTING 2022 BUDGET

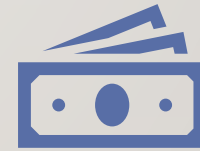
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The consumer price index from November 2020-October 2021 was 4.9%.



MPAC has deferred assessment updates due to the global pandemic. For the 2022 budget year, we are only seeing funds from assessment on new construction.



Capital spending reduction minimal impact on the 2022 tax rate.



# FACTORS AFFECTING 2022 BUDGET

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Overall increase in Employee Wages and Benefits



Keep up with rapidly changing technology by securing and protecting Municipal assets.

Cyber Insurance -  
Dual Factor Authentication -



Respond to the needs of West Elgin Fire Department.



Municipal Insurance on-going increases

# 2022 BUDGET SUMMARY

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REVENUES



	<u>2022 Budget</u>		<u>2021 Actuals</u>		<u>2021 Budget</u>
<b>Revenues</b>					
Taxation	-\$ 3,803,179.43		-\$ 3,661,473.16		-\$ 3,681,300.14
Local Improvements	- 59,537.85		- 64,718.31		- 58,128.71
PIL	- 100,000.00		- 100,581.02		- 90,000.00
<b>Grants:</b>					
GRANT - OMPF	- 1,873,400.00		- 1,920,000.00		- 1,920,000.00
GRANT - OPERATING GRANT - SAFE RESTART	-		36,000.00		36,000.00
GRANT - OCIF	- 430,629.00		- 225,822.00		- 225,822.00
GRANT - Ontario Cannabis	-		5,000.00		-
GRANT - CANADA DAY	- 5,000.00		- 5,000.00		- 5,000.00
GRANT - ONTARIO INVESTS	-		-		-
GRANT - SUMMER STUDENT	- 10,000.00		- 11,963.00		- 3,500.00
GRANT - MODERNIZATION	-		27,720.00		-
GRANT - ICIP: COVID Stream - Local Government	- 100,000.00		-		100,000.00
GRANT - Covid Recovery	-		115,045.00		-
GRANT - Enabling Accessibility	- 72,900.00		- 71,709.00		-
GRANT - Municipal Modernization (Timekeeping & Payroll)	-		-		-
GRANT - FCM Asset Management	- 50,000.00		-		-
Miscellaneous Revenue	- 185,550.00		- 169,481.72		- 193,730.00
Transfer to Reserves (OCIF)	430,629.00		225,822.00		225,822.00
Transfer from Reserves (Insurance)					- 30,000.00

## Departmental Summaries

	<u>2022 Budget</u>		<u>2021 Actuals</u>		<u>2021 Budget</u>
Council	\$ 93,876.50		\$ 83,587.41		\$ 108,857.90
Administration	1,036,893.74		1,172,921.21		1,002,571.51
Municipal Buildings	225,787.38		287,725.33		219,821.91
Fire	607,943.12		517,608.24		528,523.00
Police Services	978,808.00		807,565.01		978,466.00
Conservation Authority	65,212.00		63,853.00		63,853.00
Building Inspection	30,636.60	-	42,999.37	-	888.00
By-Law Enforcement	40,689.18		18,214.56		14,390.05
Animal Control	-	0.00	-	-	0.00
Roads	1,623,940.09		1,048,547.13		1,681,829.13
Service Ontario	6,155.40	-	16,631.27		11,947.30
Four Counties Transit	10,762.95		4,789.83	-	0.00
Street Lights	40,500.00		35,966.53		52,500.00
Sidewalks	47,937.78		65,268.40		68,926.25
Sewage - Rodney	-	0.00	-	86,302.95	-
Sewage - West Lorne	-	0.00	-	42,991.30	-
Water	0.00		64,526.89	-	0.00
Landfill	456,249.59		533,310.01		536,180.56
Cemeteries	500.00		354.24		500.00
Arena	170,296.72		133,455.21		145,790.58
Parks & Recreation	683,412.92		429,607.93		527,817.90
Port Glasgow Trailer Park	-	0.00	-	35,169.93	-
Libraries	-	0.00	12,122.06	-	9,513.12
Planning	49,978.96		87,013.38		49,025.91
Economic Development	100.00		4,499.72		51,000.00
Drains	30,348.50		37,754.52		27,930.30
Debentures	59,537.85		55,713.70		58,128.71
	<u>\$ 0.00</u>		<u>-\$ 1,331,125.30</u>		<u>\$ 0.00</u>

## Municipality of West Elgin - Reserves

Tab 14

Acct No.	Description	2022 Budget			Ending Balance
		Ending Balance	FROM	TO	
01-3000-3014	Tax Rate Stabilization	\$ 2,468,056.17	(25,000.00)		\$ 2,443,056.17
01-3000-3002	Contingency	\$ 456,470.28			\$ 456,470.28
	Connectivity Project	\$ 50,000.00			\$ 50,000.00
01-3000-3009	Ontario Invests - Improve Service Delivery & Efficiency	\$ 162,196.89	(135,000.00)		\$ 27,196.89
01-3000-3015	Safe Restart Funding	\$ 139,980.80			\$ 139,980.80
01-3000-3030	Prior Year Unused Capital	\$ 190,940.66			\$ 190,940.66
01-3000-3029	2021 Capital Carried Forward	\$ 250,000.00	(250,000.00)		\$ -
	Vehicle Replacement	\$ 774,235.61	(40,000.00)	265,000.00	\$ 999,235.61
01-3000-3003	General	\$ 337,513.98			\$ 337,513.98
	County	\$ 75,516.34			\$ 75,516.34
	Monroe St.	\$ 44,100.00			\$ 44,100.00
01-3000-3005	Recreation	\$ 16,400.00		50,000.00	\$ 66,400.00
	Animal Control Surplus	\$ 28,788.16	(22,673.22)		\$ 6,114.94
01-3000-	Arena			60,000.00	\$ 60,000.00
01-3000-3006	Parkland - West Lorne	\$ 68,761.82			\$ 68,761.82
01-3000-3019	Parkland - Rodney	\$ 100,000.00			\$ 100,000.00
01-3000-3017	Trailer Park	\$ 384,239.84	(174,657.08)		\$ 209,582.76
01-3000-3011	Marina Washrooms	\$ 50,000.00			\$ 50,000.00
01-3000-3025	Marina Pier Extension	\$ 396,509.02			\$ 396,509.02
01-3000-3026	Haven Lake Road	\$ -			\$ -
01-3000-3007	Waste Management	\$ 87,844.00	(50,000.00)		\$ 37,844.00
	Landfill Closure	\$ 717,919.00			\$ 717,919.00
01-3000-3013	Water Construction - General	\$ 96,701.52			\$ 96,701.52
01-3000-3008		\$ 50,000.00			\$ 50,000.00
01-3000-3203	West Elgin Water	\$ 955,235.86	(200,000.00)	55,703.33	\$ 810,939.19
01-3000-3004	Fire - Trucks	\$ 231,833.92		50,000.00	\$ 281,833.92
	West Lorne Complex			14,091.38	\$ 14,091.38
01-3000-3012	West Lorne Community Improvement	\$ 25,748.24			\$ 25,748.24
01-3000-3022	Downtown Improvement	\$ -			\$ -
01-3000-3027	Economic Development	\$ 10,000.00			\$ 10,000.00
	Election	\$ 30,000.00	(30,000.00)		\$ -
01-3000-3028	Planning - Official Plan	\$ -			\$ -
01-3000-3018	West Lorne Heritage Homes & Hub	\$ 206,766.00			\$ 206,766.00
01-3000-3021	Policing	\$ 209,766.15			\$ 209,766.15
01-3000-3023	Insurance	\$ 70,000.00			\$ 70,000.00
01-3000-3024	Municipal Buildings	\$ 763,293.96	(347,434.96)		\$ 415,859.00
01-3000-3101	Federal Gas Tax	\$ 475.78			\$ 475.78
01-3000-3102	Provincial Gas Tax	\$ 104,768.39	(80,000.00)	5,000.00	\$ 29,768.39
01-3000-3201	Rodney Sewage	\$ 1,099,772.89	(132,500.69)	430,629.00	\$ 1,397,901.20
01-3000-3202	West Lorne Sewage	\$ 67,352.97		45,535.89	\$ 112,888.86
		\$ 11,481,415.78	\$ (1,487,265.95)	\$ 975,959.60	\$ 10,970,109.43



# FIRE – CAPITAL PURCHASE OF SCBA UPGRADE PROPOSAL

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## Terminology

- SCBA Paks – the backframe & harness components
- SCBA Cylinders – the cylinders containing either 4500psi or 2216psi when full
- Upgrade – refers to upgrading the Pak components to the latest NFPA Standard. Example) 2018, 2013, 2007.
- Conversion – converting the Pak components to 4500psi and replacing the 2216psi cylinders with 4500psi cylinders



# WHAT ARE THE FEATURES AND BENEFITS OF UPGRADING (CONVERTING) TO THE NEW (HIGHER PRESSURE) SCOTT SCBA?

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- Provides more air for firefighter safety. This does not necessarily mean longer working times but rather more air is available when conditions warrant, allowing a cushion of safety for firefighting operations.
- 4500psi (proposed new full air cylinder) vs 2216 psi (current full air cylinder) provides more than twice the amount of air for firefighters.
- As NFPA standards are upgraded the low air alarm function has changed from 25% to 35%, meaning the alarm sounds sooner now while being used by firefighters.
- 2216 psi is slowly being phased out.

# WHAT IS THE LIFE SPAN ONCE THE CONVERSION IS COMPLETE?

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- Life Span on carbon cylinders is 15 years. Therefore, overall life span does not change with a conversion although Rodney Station #1 is due for new cylinders.
- A regular replacement schedule going forward is the recommended method to avoid unplanned expenses in the future. For example) budget 1 new Pak & 4 cylinders each year.

# WHAT IS THE CURRENT LIFE SPAN OF OUR EXISTING SCBA AND CYLINDERS?

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- Life span on SCBA paks is flexible, although it is best practice to ensure paks are current to the most recent NFPA Standard. This often means purchasing new paks is more economical than upgrading existing packs.
- Rodney Station #1 cylinders – several carbon cylinders were purchased used approximately five years ago. Some have already been taking Out of Service due to age, the rest will be in the next couple of years. The remaining cylinders are aluminum/steel and have an unlimited life span if hydrostatically tested as needed but are heavy and are recommended to be phased out.
- West Lorne Station #2 cylinders– all the carbon cylinders are approximately two years old.

# 2022 CONVERSION PROPOSAL

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- In follow up with the information presented with the 2021 budget the following is recommended:
- Upgrade the 12 - West Lorne paks to 4500psi and utilize these paks on the pumpers at both stations, as the 'front-line' paks : \$50,000
- Purchase 24 - 4500psi cylinders to accompany the 4500psi paks: \$30,000
- Divide the newest 2216psi cylinders between both stations to address the goal to start phasing out the heavier aluminum cylinders in Rodney
- Purchase 2 new 4500 paks and 4 cylinders each year going forward until the conversion to 4500 is complete. Estimated completion of 2028: \$20,000/yr
- Continue to purchase new cylinders each year beyond 2028 to maintain replacement schedule: \$5,000/yr



# PROPOSAL BENEFITS

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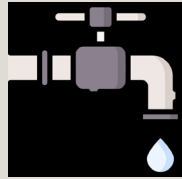
- Proposal Benefits
- Utilizes the newest paks, no investment in older paks.
- Most cost-efficient upgrade to 4500psi. A full replacement would be estimated to cost between \$300,000 & \$400,000.
- Utilizes newest 2216psi cylinders to address aging cylinders in Rodney, of which the majority need hydrostatic testing in 2023.
- Each station will have same equipment.
- Creates a plan for ongoing replacement needs and will provide the department the opportunity to purchase the newest paks on a yearly basis while phasing out 2216psi over several years.
- No further large capital investment required for SCBA in the foreseeable future.

# WEFD FLEET REPLACEMENT SCHEDULE

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- WEFD currently consists of seven apparatus, including two matching pumpers, two tankers, two rescues and a snuffer pickup. An underutilized trailer and van were recently declared surplus. The pumpers are relatively new but the remainder of the fleet ranges in age from 15 to 28 years of age. A WEFD fleet replacement schedule is being developed that will be brought forward for Council consideration this spring. The Fire Chief and Deputy Chief have had an initial meeting on this with plans for further officer meetings to develop a full schedule. In the 2022 Fire Capital Forecast, projected costs have been included on tanker replacements





# WATER RATES

# WATER RATES

- According to West Elgin Drinking Water System Financial Plan prepared by Sharratt Water Management Ltd. it was recommended that Fixed Bi-Monthly Fee be raised to \$45.41 and variable rate be raised to \$1.65.
- Staff recommends that Council approves the increase of flat water rate to \$45.00 and keep the recommended \$0.07 increase to the water rate consumption.
- Bi-monthly water increase for an average family of 4 using 42 cubic meters will be \$5.94 or \$35.64 per year.

# RODNEY SEWAGE

- Currently Rodney sewage rate is 171% of water rates.
- It is recommended that bi-monthly sewage flat fee be increased to \$75.00 from \$71.82; and sewage charge based on water consumption remain at \$2.70/m<sup>3</sup>
- By-monthly sewage increase for an average family of 4 using 42 cubic meters will be \$3.18 or \$19.08 per year.

# WEST LORNE SEWAGE

- Currently WL sewage rate is 164% of water rates.
- It is recommended that bi-monthly sewage flat fee be increased to \$72.00 from \$68.88; and sewage charge based on water consumption increase to \$2.60/m<sup>3</sup>
- Bi-monthly sewage increase for an average family of 4 using 42 cubic meters will be \$3.54 or \$21.24 per year.

## Calculations:

### Water Billing - for 2 months

7 cubic meters per person

Bi-monthly service charge

Water rate (m<sup>3</sup>)

Family of 3= 3x7=21X2=42

**Water portion      Total**

Bi-monthly sewage flat fee

Sewage charge on consumption

Sewage portion Total

**Total Bill**

Difference

**BI-MONTHLY**

**ANNUAL**

**ANNUAL**

Rodney Current	Rodney New	West Lorne Current 164%	West Lorne New 164%
\$ 42.00	\$ 45.00	\$ 42.00	\$ 45.00
<b>\$ 1.58/m<sup>3</sup></b>	<b>\$ 1.65/m<sup>3</sup></b>	<b>\$ 1.58/m<sup>3</sup></b>	<b>\$ 1.65/m<sup>3</sup></b>
\$ 66.36	\$ 69.30	\$ 66.36	\$ 69.30
<b>\$ 108.36</b>	<b>\$ 114.30</b>	<b>\$ 108.36</b>	<b>\$ 114.30</b>
\$ 71.82	\$ 75.00	\$ 68.88	\$ 72.00
<b>\$2.70/m<sup>3</sup></b>	<b>\$2.70/m<sup>3</sup></b>	<b>\$2.59/m<sup>3</sup></b>	<b>\$2.60/m<sup>3</sup></b>
\$ 113.40	\$ 113.40	\$ 108.78	\$ 109.20
<b>\$ 185.22</b>	<b>\$ 188.40</b>	<b>\$ 177.66</b>	<b>\$ 181.20</b>
<b>\$ 293.58</b>	<b>\$ 302.70</b>	<b>\$ 286.02</b>	<b>\$ 295.50</b>
\$ 9.12		\$ 9.48	
<b>\$ 54.69</b>		<b>\$ 56.91</b>	



## **RECOMMENDED ACTION:**

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Council receives the Draft 2022 Budget as information, and approves Special Meeting on February 3, 2022 to debate the proposed budget.