



Township of McNab/Braeside

2018 Budget Overview

Executive Summary

The Township of McNab/Braeside's 2018 Capital and Operating Budget passed by Council at the December 19, 2017 regular meeting of Council reflects a 9.8% levy increase over the 2017 Budget. This will increase the average residential property tax bill by approximately \$118 next year or \$9.87 a month. This increase is the result of: OPP cost increases: long-term infrastructure planning and renewal; service-level improvements in recreation programming and summer road maintenance; and cost increases to support current operations. Further detail on these changes can be found below.

The Township of McNab/Braeside's 2018 Budget reflects a 9.8% levy increase over 2017. A breakdown of the expected impact on the average residential tax bill is as follows:

| | | |
|--|-----------|-----------|
| 2018 Average Residential Assessment (not on water) | \$ | 255,461 |
| Estimated Impact on the Township portion of the average tax bill | \$ | 118 |
| Tax Bill Impact per Month | \$ | 9.87 |
| <u>Tax Bill Impact Breakdown</u> | | |
| OPP | \$ | 22 |
| Infrastructure | \$ | 57 |
| Long-Term Building Plan | \$ | 34 |
| Long-Term Roads Plan | \$ | 12 |
| Long-Term Vehicles and Equipment Plan | \$ | 11 |
| Service-Level Improvements | \$ | 15 |
| Recreation Programmer | \$ | 5 |
| Public Works Summer Maintenance | \$ | 10 |
| Current Operations | \$ | 25 |
| Library, Recreation, Archives Agreements | \$ | 8 |
| Winter Road Maintenance (Sand and Salt) | \$ | 5 |
| Other | \$ | 11 |

Further information on these tax bill impacts are as follows:

OPP

Of this increase, \$22 is related to OPP policing and their implementation of a new billing model across Ontario. This billing change has increased the Township's levy by 13.5% over the past several years. In 2014, the Township was paying \$397,568/year for OPP services. This has increased to an expected \$948,893 in 2018.

Infrastructure

Implementation of the Township's long-term capital plans equates to \$57 of the 2018 tax bill increase. The Township is responsible for infrastructure assets with a replacement cost in excess of \$225M including 198 km of roads, a Township Office, 3 Fire Stations, 4 Public Works buildings, 15 recreation parks/facilities and vehicles and equipment to support the essential services we provide.

Since the mid-2000's, the Province of Ontario has been steadily increasing the legal, regulatory, and infrastructure grant funding requirements for municipalities to develop long-term Asset Management Plans (AMPs) in order for local Municipalities to support sustainable infrastructure in their communities.

Over the past several years, the Township has been actively reviewing the condition of its infrastructure and developing and implementing long-term infrastructure plans to ensure the sustainability of Township infrastructure moving forward.

Long-Term Roads Plan

In 2013, the condition of the Township's road network was rated in "fair" condition. Based on this analysis, a long-term roads plan was developed to maintain this overall condition of roads in the Township. This long-term plan requires an annual levy increase of 1-1.5% annually, offset by any growth in the Township. If this roads plan and associated levy increase was not implemented, the condition of the roads network would further deteriorate and cost the Township more money in the long run. With increased deterioration comes more expensive reconstruction costs as opposed to less-costly resurfacing work.

This plan has allowed us to repair some of the worst roads in the Township including Scheel Drive, Kippen Road and, in 2018, McLaglan Road.

Long-Term Building Plan

Over the past three years, the Township Council and staff have worked together to develop a long-term building plan.

Historically, buildings were maintained on an emergency-basis only, with items deferred in an effort to save money. Funding for buildings was limited to a few thousand dollars per building for day-to-day items, with minimal reserves set aside to fund major repairs or replacement. In 2014, the Township had \$761K set aside to fund the major repair and/or replacement of over \$7.6M of buildings.

This approach has left the Township with a number of poorly maintained buildings requiring either significant repair or outright replacement. Emerging accessibility requirements have added new obligations to the Township's existing building portfolio.

Key building priorities addressed over the past several years have included:

- Replacement of the Braeside Salt/Sand Shed (critical condition) with a new shed and garage in Braeside (completed 2016)

- Replacement of the Braeside RA centre (poor condition, accessibility issues) with a new facility. To be completed in 2018.
- Renovation of the Perneel Building into a central recreation facility, with financial support from an Ontario 150 Community Capital Program Grant. To be completed in 2018.
- Replacement of the Township Office currently in poor condition with limited accessibility. To be completed in 2018.
- Renovation of the White Lake Park Building, with financial support from the Canada 150 Infrastructure grant program. To be completed in December 2017.

The Township will phase-in the financial impact of these projects over a number of years, limiting levy increases to 2.5-3% per year to ensure affordability. The current plan provides funding for loan payments on the current building projects and sets aside funding for future repairs and eventual replacement.

Service Level Improvements

Two key service level improvements included in the 2018 budget include the balance of funding required for a new full-time recreation programmer in the Township. This will create new programming opportunities in the Township's newly renovated recreation facilities.

The Township will also increase support of summer road maintenance activities (mowing, ditching, brushing, pot-hole patching, grading, dust control, culvert maintenance) by converting a winter seasonal position into a full-time public works position.

Current Operations

The balance of the tax bill impact relates to current operations. Phase-in of the Township's recreation and library agreements with the Town of Arnprior will continue until 2020. Price increases must also be considered. This includes cost-of-living adjustments for staff and cost increases in the sand and salt used in winter road maintenance.

2019 Levy

Based on existing long-term infrastructure plans, the 2019 tax levy forecast is as follows:

| | |
|------------------------------|-------|
| Building Plan | +3.0% |
| Roads Plan | +1.0% |
| Less: Growth | -0.7% |
| Vehicle and Equipment Plan | +1.1% |
| Operations 2% inflation | +2.3% |
| Estimated 2019 Levy Increase | 6.7% |

Questions

For more information on the 2018 Budget, please contact:

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