

2017 Town of Parry Sound Budget

Presentation to Council November 29, 2016

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Director of Finance and POA Court Services

Agenda

- ▶ Layout of this presentation follows the budget binder
- ▶ Specific questions regarding what and why will be referred to appropriate director, or deferred to the budget deliberation meetings



Council's Direction for the 2017 Budget

- ▶ Approved Budget and Financial Controls Policy
 - ▶ Rate increase between 1.5% and 3.0%
 - ▶ We have prioritized to bring budget in under 3.0%
 - ▶ Included an additional 1.8% for infrastructure per Asset Management Plan recommendations
- ▶ 2015 - 2018 Strategic Plan
 - ▶ We have identified items in the 2017 budget which further the Strategic Plan
 - ▶ We can't afford to do everything this year

External Factors Impacting the Town Budget (Page 4)

These factors are outside of the control of the Town (either senior level of government, or contractually required).

These impacts are perpetual, they are permanent. It is highly unlikely that OPP costs will decrease or that LTC facilities will become taxable again.

These impacts are higher than the target range for levy increase, therefore reductions in other areas are required to meet the policy.

Description of Pressure	Impact in \$ from 2016	Impact as a % of 2016 Levy
Increase in OPP cost for 2017	\$105,600	1.1%
Decrease in OMPF grant	\$58,500	0.6%
Increase in CSPT grant	(\$70,000)	(0.7%)
Non-Profit Long Term Care Facilities tax exemption	\$184,100	1.9%
Annualized impact of CUPE job evaluations	\$134,900	1.4%
Total Impact	\$412,400	4.3%

Determining the Tax Levy - (Page 5)

- ▶ Start with PSAB Statement of Operations
 - ▶ Remove Amortization Expense
 - ▶ Subtract revenue from grants not included in statement of operations
 - ▶ Add capital costs for all projects
 - ▶ Subtract transfers from reserves and reserve funds
 - ▶ Add transfers to reserves and reserve funds
 - ▶ Subtract new debt to be issued in 2016
 - ▶ Add principal payment on existing debt
- ▶ Required Levy for Taxes

Items Considered and Removed – Capital (Pages 8-9)

- ▶ Reduction to pooled firefighter gear
- ▶ Deferred Big Sound Marina Dock A anchors (until divestiture assets are identified)
- ▶ Defer Big Sound Marina Dock C Power Pedestals (until divestiture assets are identified)
- ▶ Reduction to interpretative sign at Waubuno Beach
- ▶ Defer splash pad (if included would be 50% funding and 50% legacy reserve fund)
- ▶ Defer Hillcrest Cemetery wrought iron fencing
- ▶ Defer St. Charles Crossing (50% will be put into reserve in 2017 and 50% in 2018)
- ▶ Remove CN Station parking lot restoration
- ▶ Fire Station parking lot paved via operations operating budget
- ▶ Defer replacement Charles W. Stockey Centre sign

Items Considered and Removed (Pages 9 - 10)

Administration / IT

- ▶ Savings realized by change in corporate cell plans
- ▶ Reduction to advertising budget for Administration
- ▶ Remove staff recognition program, per prior resolution of Council
- ▶ Reduction to third party contract for IT services (this was an unknown in 2016, we over budgeted)
- ▶ Eliminated corporate information systems training (redundant)
- ▶ Remove planned records management software (will be allocated to appropriate departments)
- ▶ Reduce stationary expenses
- ▶ Reduce memberships

Third Parties

- ▶ Eliminate municipal heritage committee expenses as no longer active
- ▶ Reduce transfer to Planning Board, anticipating fee reduction
- ▶ Reduce increase to library from \$10,800 to \$5,000

Items Considered and Removed (Pages 10-11)

Finance

- ▶ Cell phone reduced due to change in corporate plan
- ▶ Reduction in photocopies
- ▶ Eliminate interest paid on water deposits as longer held
- ▶ Reduction to staff training

Emergency and Protective Services

- ▶ Reduce phone to reflect change in corporate plan
- ▶ Reduce advertising allocation (fire, by-law and crossing guards)
- ▶ Reduce conventions
- ▶ Eliminate fire hydrant misc contracts for service as redundant
- ▶ Reduce fire admin and by-law gas for vehicles
- ▶ Recognize savings from LED light conversion
- ▶ Eliminate paint and supplies expense (will be part of general repairs expense)
- ▶ Reduce misc rentals
- ▶ Reduce postage expense for by-law (increased use of social media)

Items Considered and Removed (Pages 11-14)

Operations

- ▶ Reduce GPS phone line to reflect change in costs
- ▶ Reduce uniform costs
- ▶ Eliminate mileage and car rentals, as town owned vehicle used
- ▶ Reduce cell phones in all areas for corporate plan changes
- ▶ Reduce meals
- ▶ Reduce advertising

Operations

- ▶ Defer roads needs study to 2018
- ▶ Reduce PW Admin office supplies
- ▶ Reduce permits to reflect change in permits required
- ▶ Reduce small tools misc materials
- ▶ Reduce gasoline for small tools
- ▶ Defer increase in service level increase for Sidewalk Repairs (misc contracts for service)

Items Considered and Removed (Pages 11-14)

Operations

- ▶ Defer increase in service level for asphalt repairs (contracts for service)
- ▶ Defer increase in service level for PW curb and gutter (contracts for service)
- ▶ Reduce culvert maintenance (misc materials)
- ▶ Defer increase in service level for guide rails (misc materials)

Operations

- ▶ Recognize savings in utilities for street lights from LED conversion
- ▶ Defer increase in service level for storm sewers (misc materials)
- ▶ Reduce PW catch basins (misc materials)
- ▶ Reduce staff training for cemetery admin
- ▶ Reduce advertising for cemetery

Items Considered and Removed (Pages 11-14)

Operations

- ▶ Defer increase for tree replacement (misc materials)
- ▶ Reduce Macfarlane Transfer Station (general construction)
- ▶ Eliminate Macfarlane Transfer Station charitable waste

Operations

- ▶ Reduce transfer station misc materials
- ▶ Reduce waste management repairs
- ▶ Eliminate increase in PW household hazardous waste staff training
- ▶ Reduce waterfront dock misc materials

Items Considered and Removed (Pages 14-15)

Parks and Recreation

- ▶ Non-specific parks
 - ▶ Reduce misc materials
 - ▶ Reduce paint and supplies
 - ▶ Reduce Misc equipment rentals
 - ▶ Reduce repairs and maintenance
 - ▶ Reduce memberships

Parks and Recreation

- ▶ Waubuno Park
 - ▶ Recognize savings of utilities for LEDs
 - ▶ Eliminate paint and supplies
- ▶ Kinsmen Park
 - ▶ Recognize savings of utilities for LEDs
 - ▶ Reduce water system costs
 - ▶ Reduce repairs and maintenance
 - ▶ Reduce minor equipment

Items Considered and Removed (Page 14-16)

Parks and Recreation

- ▶ Skateboard park
 - ▶ Reduce misc materials
 - ▶ Eliminate advertising
- ▶ Reduce Santa Claus parade postage and photocopies
- ▶ Bobby Orr Community Centre
 - ▶ Reduce WSIB
 - ▶ Reduce admin engineering
 - ▶ Recognize savings on LED installation

Parks and Recreation

- ▶ Bobby Orr Community Centre
 - ▶ Reduce water costs for lower usage
 - ▶ Reduce misc contracts for service
 - ▶ Reduce equipment repairs and maintenance
 - ▶ Reduce equipment misc materials
 - ▶ Reduce hall misc contracts
 - ▶ Eliminate hall paint and supplies

Items Considered and Removed (Pages 16-17)

Stockey Centre

- ▶ Reduce municipal contribution to \$250,000

Development and Leisure Services

- ▶ Building Inspection
 - ▶ Reduce health and safety related costs
 - ▶ Reduce staff training
 - ▶ Reduce misc materials
- ▶ Planning General
 - ▶ Reduce conferences
 - ▶ Reduce staff training
 - ▶ Reduce minor furniture and equipment
 - ▶ Reduce misc contracts

Items Considered and Removed (Pages 16-17)

Development and Leisure Services

- ▶ Reduce Committee of Adjustment conferences
- ▶ Recognize Economic Development Officer is only 75% of year in first year due to timing of implementation
- ▶ Reduce economic development photo library
- ▶ Reduce tourism marketing (defer regional recommendation)

Development and Leisure

- ▶ Defer increase in trails master plan implementation (misc materials)
- ▶ Reduce communications (advertising)

Reduction Packages (Pages 18-19)

- ▶ There are four areas which Council may wish to make changes to the proposed budget
- ▶ If these changes are made there is a cascading effect, not just one item is affected
- ▶ These are
 - ▶ Proposed recreation programmer
 - ▶ Proposed economic development officer
 - ▶ Proposed tourism intern
 - ▶ Proposed enhancement to the Transfer Station Service

Reduction Packages (Pages 18 – 19)

- ▶ Recreation Programmer
 - ▶ Will result in programming no longer being feasible to run
- ▶ Economic Development Officer
 - ▶ Will result in the increases in business marketing activities no longer being feasible
- ▶ Tourism Intern
 - ▶ Increase in materials for Visitor Information Centre no longer required
- ▶ Transfer Station
 - ▶ Household hazardous waste will remain summer only
 - ▶ Summer student will remain at the TS and not be able to be reassigned to the downtown core

New Initiatives in the 2017 Budget (Page 20)

Council

- ▶ Replacement of chairs for Council Chambers (mayor, councillors and staff)
- ▶ Equipment and software for live streaming meetings
- ▶ Increase in mileage, car allowance, meetings and conferences for Mayor (more board meetings)
- ▶ Creation of scholarship award

Administration / IT

- ▶ Increase in HR Coordinator from 3 days to 5 days

New Initiatives in the 2017 Budget - (Page 20-21)

Third Parties

- ▶ Increase in funding to Parry Sound Senior's club
- ▶ Increase in funding to Parry Sound Public Library

Finance

- ▶ Increased revenue for transfers from water / wastewater to taxes

New Initiatives in the 2017 Budget - (Page 20-22)

Emergency and Protective Services

- ▶ Increased revenue for shared by-law service with Carling Township
- ▶ Increased revenue, in 2017, for implementation of life long dog tags
- ▶ Increased training for 911 and emergency management
- ▶ Increased enforcement of fire code
- ▶ One time uniform for new staff

Operations

- ▶ Increased legal fees, surveys and appraisals
- ▶ Increased conferences, seminars
- ▶ Increased in uniforms
- ▶ Increased health and safety related costs
- ▶ Unlicensed larger equipment
 - ▶ Increased misc materials
 - ▶ Increased tires

New Initiatives in 2017 Budget (Pages 22-23)

Operations

- ▶ Vehicles and licensed equipment
 - ▶ Increased misc materials
 - ▶ Increased tires
- ▶ Increased facilities health and safety costs
- ▶ Increased gravel surface maintenance
- ▶ Increased curb and gutter maintenance (asphalt)

Operations

- ▶ Increased pavement markings
- ▶ Increased guide rails and posts
- ▶ Increased public wharf repairs
- ▶ Increased traffic signal repairs
- ▶ Increased traffic signs
- ▶ Increased street signs
- ▶ Increased health and safety costs for cemetery

New Initiatives in 2017 Budget (Pages 23-24)

Operations

- ▶ Additional employee at the transfer station (will allow for year long HHW services and improved service throughout year)
- ▶ Household Hazardous Waste
 - ▶ Proposed change to cost sharing with other municipalities
 - ▶ Increased health and safety costs
 - ▶ Increased advertising
 - ▶ Increased haulage costs

Operations

- ▶ One time increase in compost program for grinding of the pile (once every 4 years)
- ▶ Increase in parking administration misc materials

New Initiatives in 2017 Budget (Pages 24-25)

Parks and Recreation

- ▶ Full time recreation programmer (after completion of the intern period)
- ▶ Re-create the warning track on the baseball diamonds at Kinsmen Park
- ▶ New buoy lines for Waubuno Beach

Charles W. Stockey Centre

- ▶ Increase in part-time staff for Performance Hall (related to HR Coordinator)
- ▶ Increase in artist fees
- ▶ Increase in BOHF expenses
- ▶ Increase in building occupancy (snow removal)
- ▶ Increase in golf classic

New Initiatives in 2017 Budget (Pages 24-25)

Development and Leisure Services

- ▶ Creation of Tourism Intern (net of funding)
- ▶ Creation of contract Economic Development Officer (net of private contribution)
- ▶ Increased Canada Day activities (net of Canada 150 grant)
- ▶ Increased cruise expenses (offset by grant from Explorer's Edge)

Development and Leisure Services

- ▶ Succession planning, move from co-op students to a junior inspector
- ▶ Planning
 - ▶ Increased legal fees
 - ▶ Zoning By-law completion
- ▶ Re-introduce Façade Program
- ▶ Increased wayfinding signage for downtown
- ▶ Host OSUM board meeting

New Initiatives in 2017 Budget (Page 26)

Development and Leisure Services

- ▶ Increase to fitness trail master plan for implementation purposes (was reduced from original proposal)
- ▶ Advertising for Amazing Places promotion
- ▶ Marketing
 - ▶ Increase business marketing (materials and marketing)
 - ▶ Increase tourism materials

New Initiatives for Non-Tax Supported Activities - (Page 27)

Water

- ▶ Increase boot and clothing allowance
- ▶ Increase uniform and cleaning
- ▶ Fuel for new snow blower (used for hydrant clearing)

Wastewater

- ▶ Increase booth and clothing allowance
- ▶ Increase uniform cleaning
- ▶ New regulations for health and safety equipment
- ▶ Increased staff training
- ▶ Non-recurring sludge cleaning
- ▶ Increase to pumping station repairs

Service Partners

- ▶ The Town provides funding, either discretionary or through legislated levy to:
 - ▶ Parry Sound Public Library
 - ▶ West Parry Sound District Museum
 - ▶ West Parry Sound Health Centre and Lakeland Long Term Care
 - ▶ Belvedere Heights Home for the Aged
 - ▶ District Social Services Administration Board
 - ▶ Ontario Provincial Police
 - ▶ North Bay Parry Sound District Health Unit
 - ▶ Parry Sound Area Industrial Park Board
 - ▶ Parry Sound Municipal Airport Board
 - ▶ West Parry Sound Area Planning Board

Budget Process 2017 (Page 32)



Council Priority Setting May 2016 (Page 32)

- ▶ Used to set strategic priorities for the upcoming year and remainder of term
- ▶ 10 priorities were set
 - ▶ Great North Road
 - ▶ Private land development (4 different areas)
 - ▶ Parry Sound Road Innovation Park
 - ▶ Downtown Parry Sound
 - ▶ Water and Wastewater plant capacities
 - ▶ Aquatic / Recreation Centre

Citizen Engagement (Page 33)

- ▶ The 2017 budget is the first time we have used an online survey to get engagement from the public
- ▶ Had over 49 responses with comments
- ▶ For all of the areas the status quo received the most votes, while the average may vary
 - ▶ Fire Service, Operations, Parks and Rec and Land Ambulance had averages >100%
 - ▶ Admin, By-law, Police, Rec Facilities and Development Services had averages <100%

Strategic Plan 2015 - 2018

In 2017 the “New Initiatives” have been tied, where appropriate, to a strategic plan.

There are several items that were cut in 2017 that do relate to the Strategic Plan, not everything can be done at once.



Strategic Plan 2015 – 2018

(Pages 37 – 40)

- ▶ **Active Living**
 - ▶ Permanent recreation programmer
 - ▶ Increased funding for Trails Master Plan
 - ▶ Repairs to Kinsmen and Waubuno
- ▶ **Growth and Development**
 - ▶ Tourism Intern
 - ▶ Increased marketing for business
 - ▶ Façade Program re-introduction
 - ▶ Economic Development Officer
 - ▶ Wayfinding for downtown
- ▶ **Organizational Excellence**
 - ▶ Increase HR to 5 days
 - ▶ Increase staff training and health and safety training
- ▶ **Our Community**
 - ▶ Live streaming meetings
 - ▶ Scholarship award
 - ▶ Senior's Club and PSPL funding
 - ▶ Canada Day
- ▶ **West Parry Sound Area Cooperation**
 - ▶ Increase HHW to year round
 - ▶ Sharing by-law services with Carling
 - ▶ Increased training for emergency management

Comparing Parry Sound – Population (Pages 41 to 42)

Factor	Parry Sound	North Average	Survey Average
Population increase 2011 to 2015	8.6%	3.0%	8.7%
Senior population	23%	19%	15%
2016 Household Income	\$65,270	\$80,825	\$90,825

Comparing Parry Sound – Assessment and Taxes (Page 42)

Factor	Parry Sound	North Average	Survey Average
Taxable Assessment per Capita (unweighted)	\$106,828	\$91,425	\$131,013
Residential composition %	74.6%		79.0%
Commercial composition %	21.1%		10.0%
Industrial composition %	1.1%		1.8%

Comparing Parry Sound – Financial Indicators (Pages 43 to 44)

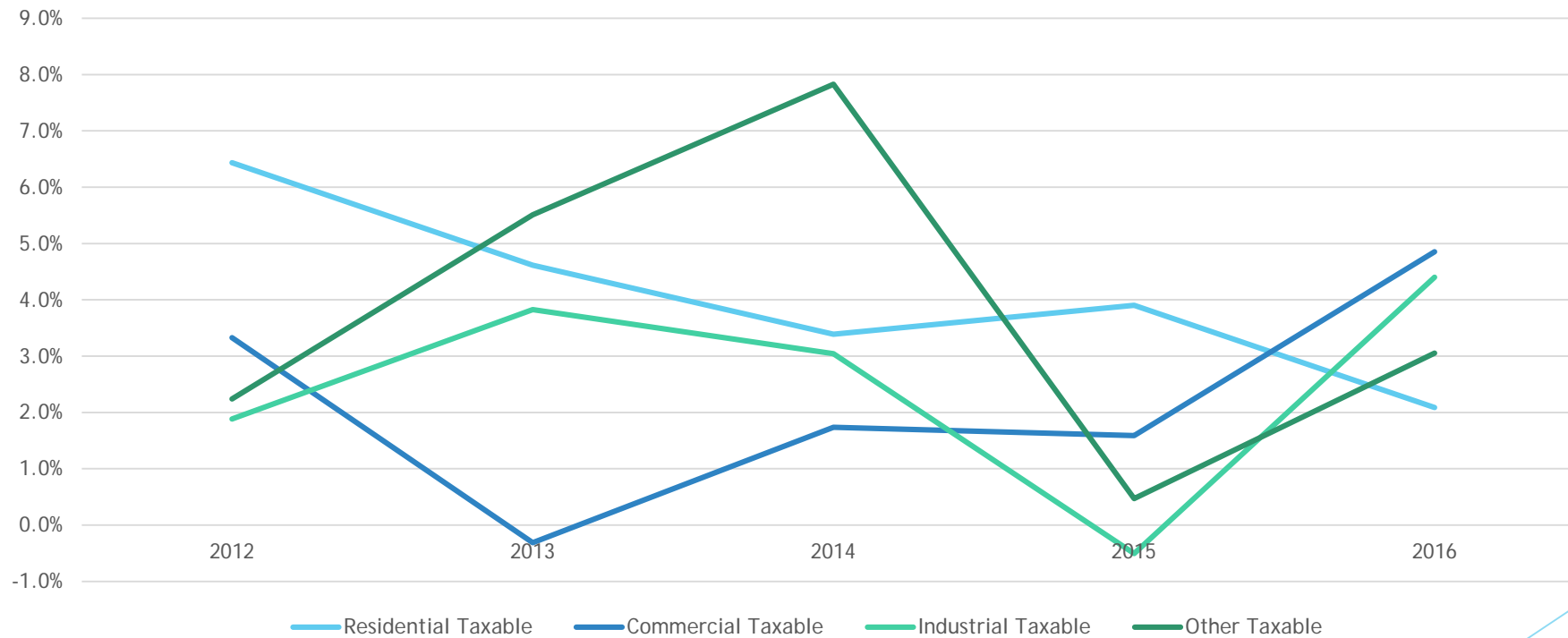
Factor	Parry Sound	North Average	Survey Average
Financial Position Per Capita	\$1,245	\$477	\$440
Total Asset Consumption Ratio	37.6%		41.2%
Tax Reserves Per Capita	\$2,593		\$694
Debt Interest as % of Revenue	2.0%		1.2%
Debt Per Capita	\$2,060		\$540
Debt to Reserve Ratio	0.8		1.1
Taxes Receivable as % of Revenue	6.7%	6.9%	

Comparing Parry Sound – Taxes (Pages 43 to 44)

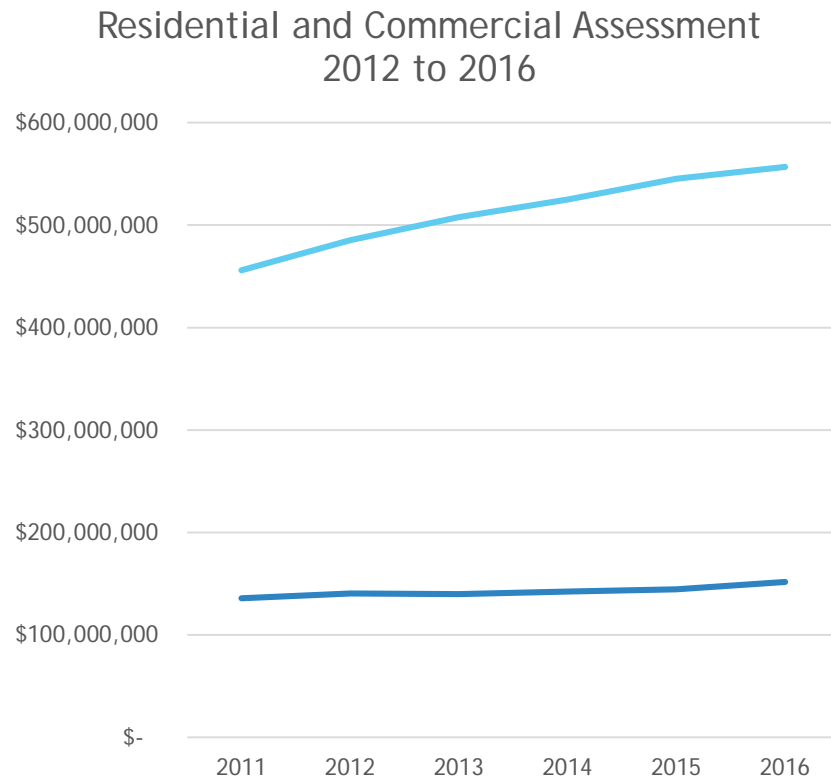
Factor	Parry Sound	North Average	Survey Average
2016 Levy per Capita	\$1,438	\$1,557	\$1,499
2016 Municipal Levy per \$100,000 Unweighted Assessment	\$1,346	\$1,773	\$1,140
2016 Municipal Levy per \$100,000 Weighted Assessment	\$1,171	\$1,524	\$1,070

Annual Assessment Growth 2012 to 2016

Percentage Tax Assessment Change Y/Y



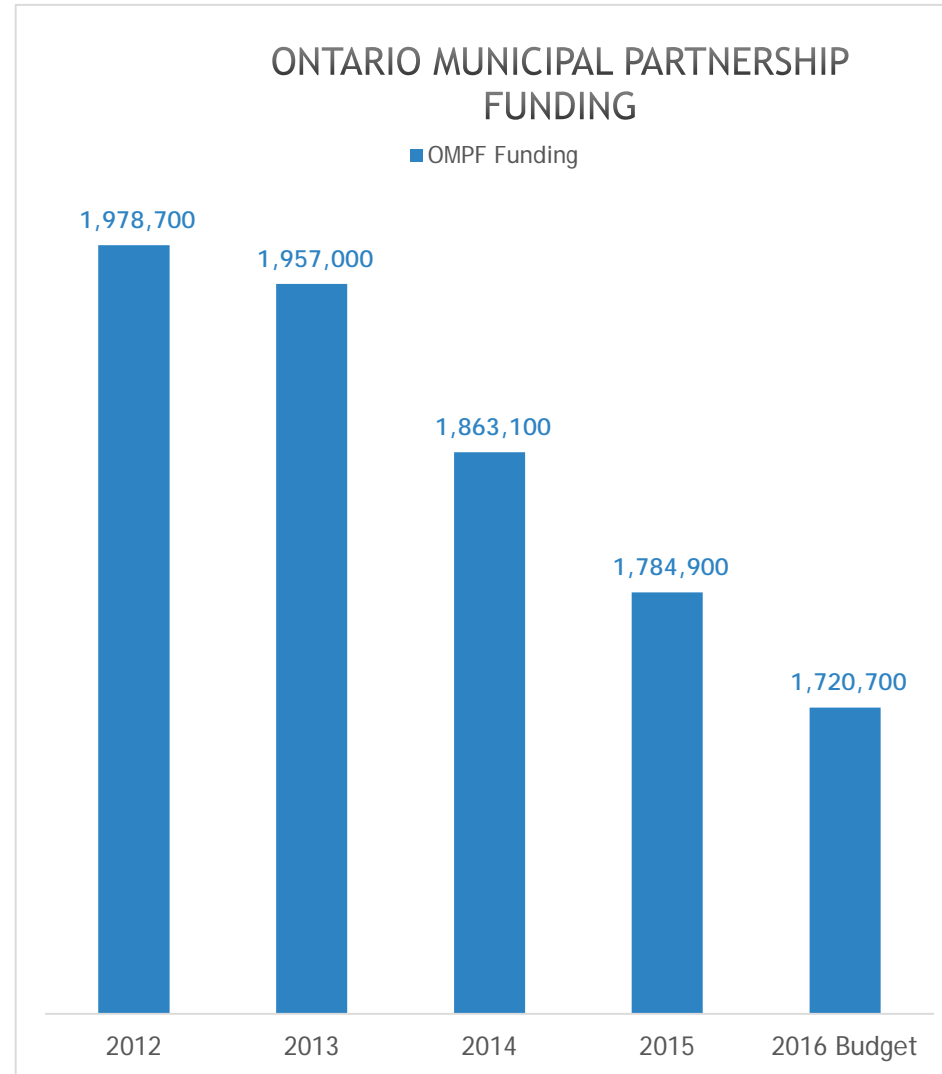
Residential and Commercial Assessment Over 5 Year Period



- ▶ We have seen residential growth over the past 5 years resulting from
 - ▶ Phase-in
 - ▶ Condo developments
 - ▶ Salt Dock
 - ▶ Silver Birch
- ▶ Commercial assessment has stayed relatively flat
 - ▶ New Medical Building in 2016

5 Year Trends - OMPF Funding

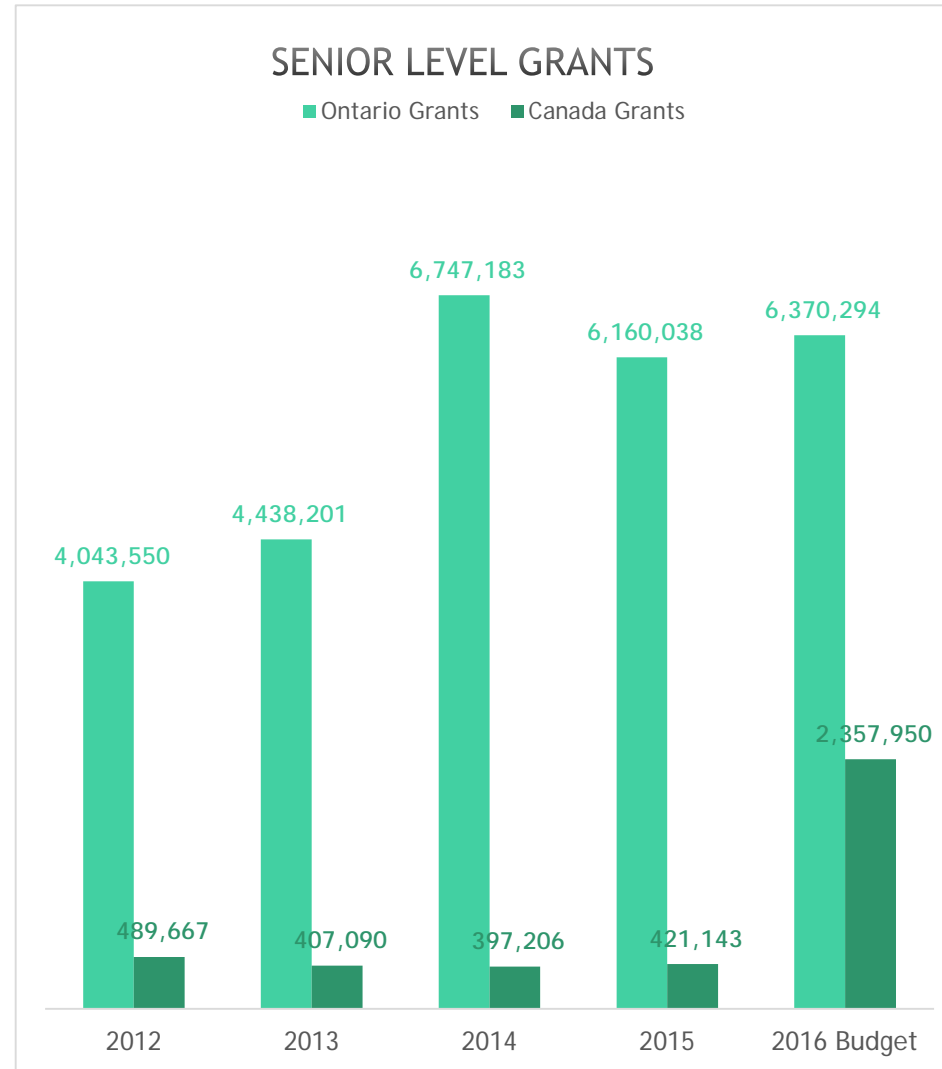
The past five years has seen a steady decrease in the Town's operating funding from the Province of Ontario through the Ontario Municipal Partnership Fund. This is the only unrestricted operating grant that the Town gets.



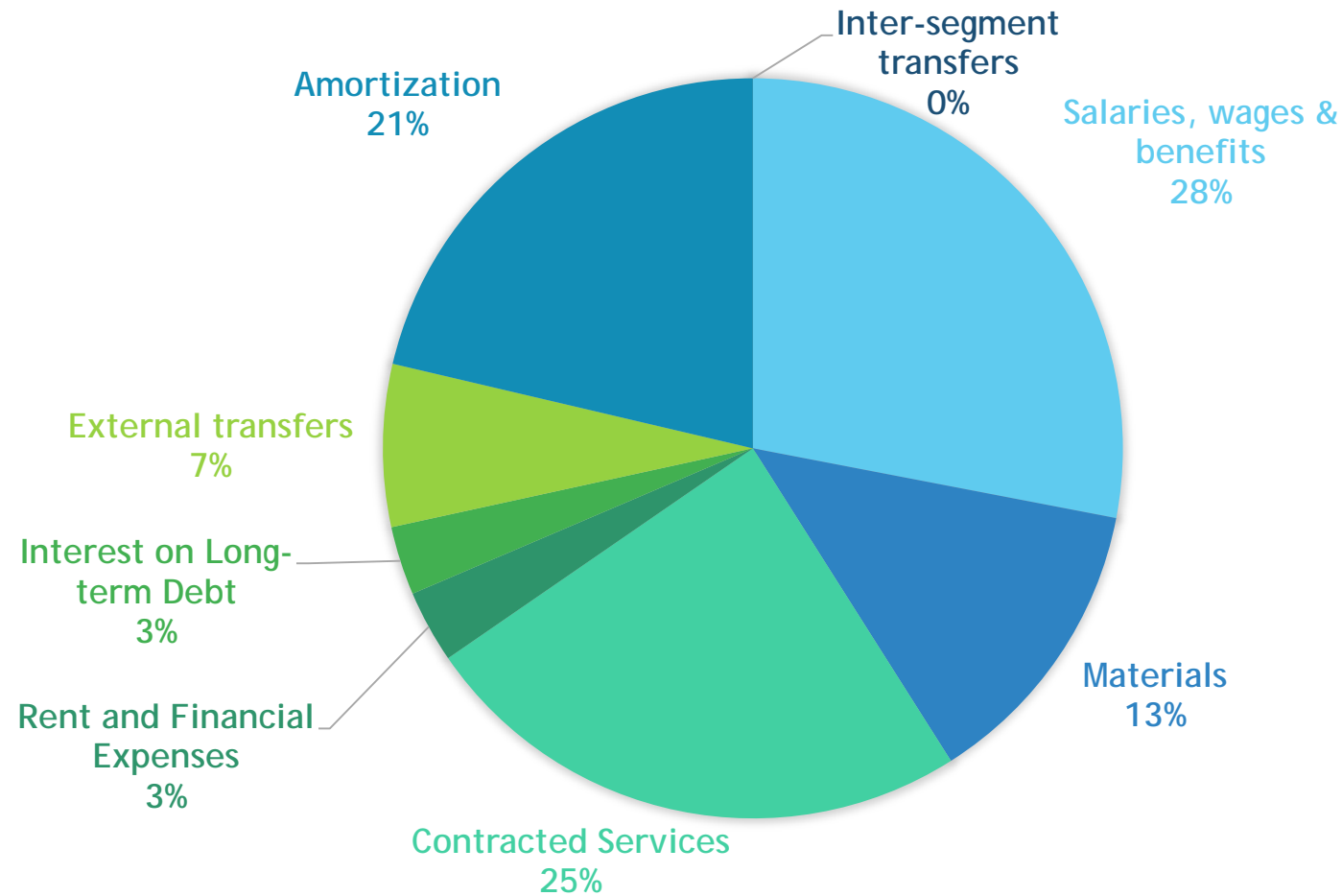
5 Year Trends - Government Grants

The majority of the Government Grants that are received for specific purposes relate to the Town's provision of Land Ambulance Service to the District of Parry Sound.

From 2014 to 2016 the increase relates to four large infrastructure projects that we received significant support on: Wakefield/Dufferin, Forest, William and Emily.



2015 Expenditures - Tax Supported

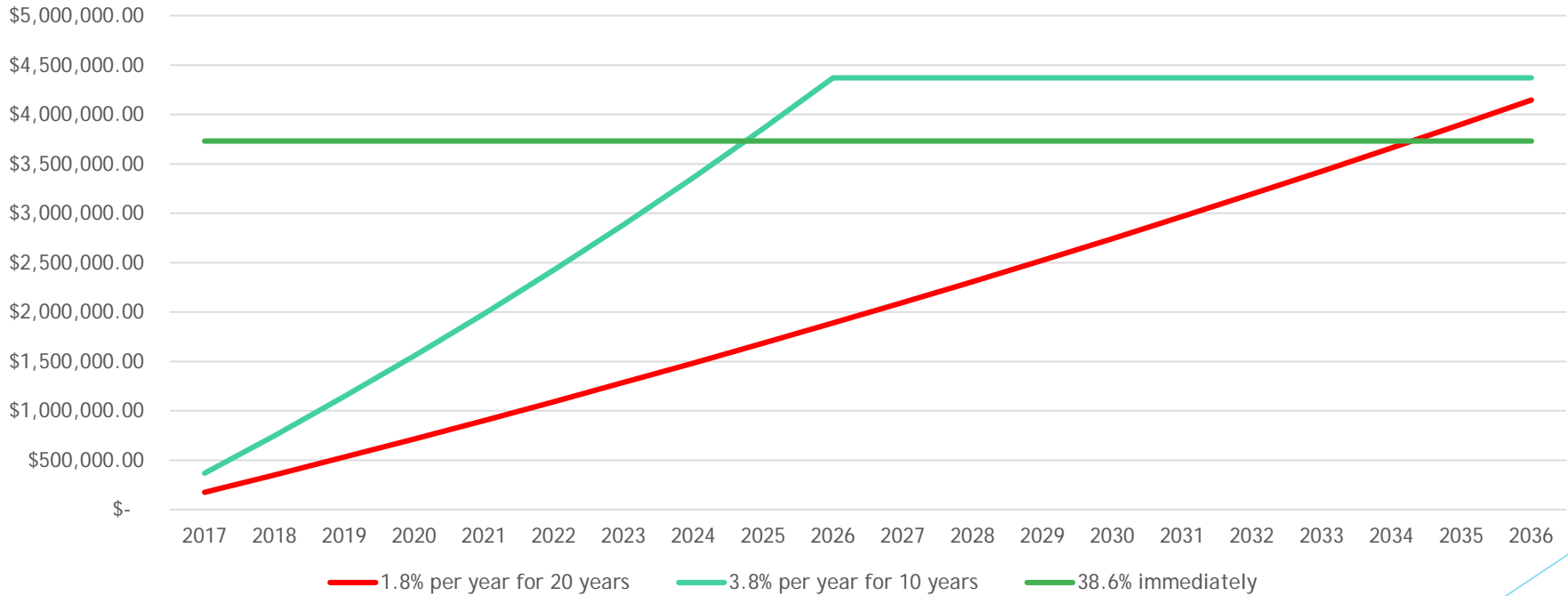


Asset Management Plan

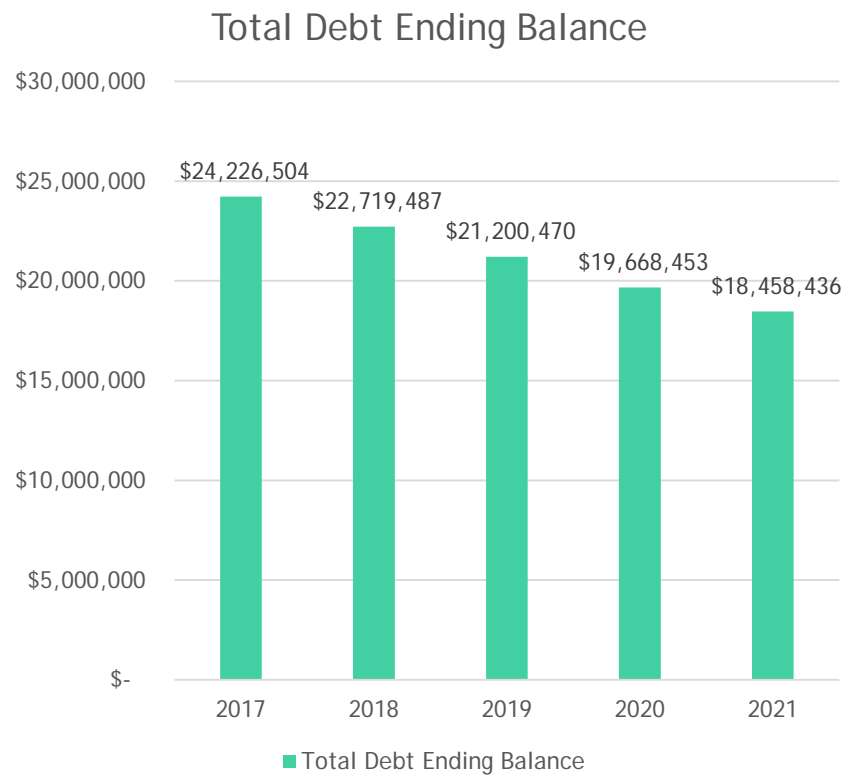
- ▶ Asset Management is a continued important aspect of planning
- ▶ Draft Asset Management Plan was received November 25 (financing strategy was received prior to this)
- ▶ Recommendation is a 1.8% increase in taxes per year for the next 20 years solely for the purposes of infrastructure
- ▶ AMO study indicates over an 8% increase per year for 10 years, we only need 3.6% per year for 10 years.
- ▶ Not following asset management plan could make it harder to get funding in the future, it is a requirement to have one, and follow it

Asset Management Plan - Funding Infrastructure Deficit (Page 103)

Annual Tax Supported Contribution to Capital Levy
2017 to 2036



Debt Ending Balance (Page 116)



▶ Current Debt Balances include

- ▶ Water treatment plant
- ▶ Gibson St Rebuild
- ▶ Smelter Wharf
- ▶ Wastewater treatment plant
- ▶ Water tower
- ▶ Riverdale Road
- ▶ Municipal office / Wastewater mains
- ▶ BOCC, James, Gibson & Mary St
- ▶ Forest St, Hillcrest St storm sewer, College Drive

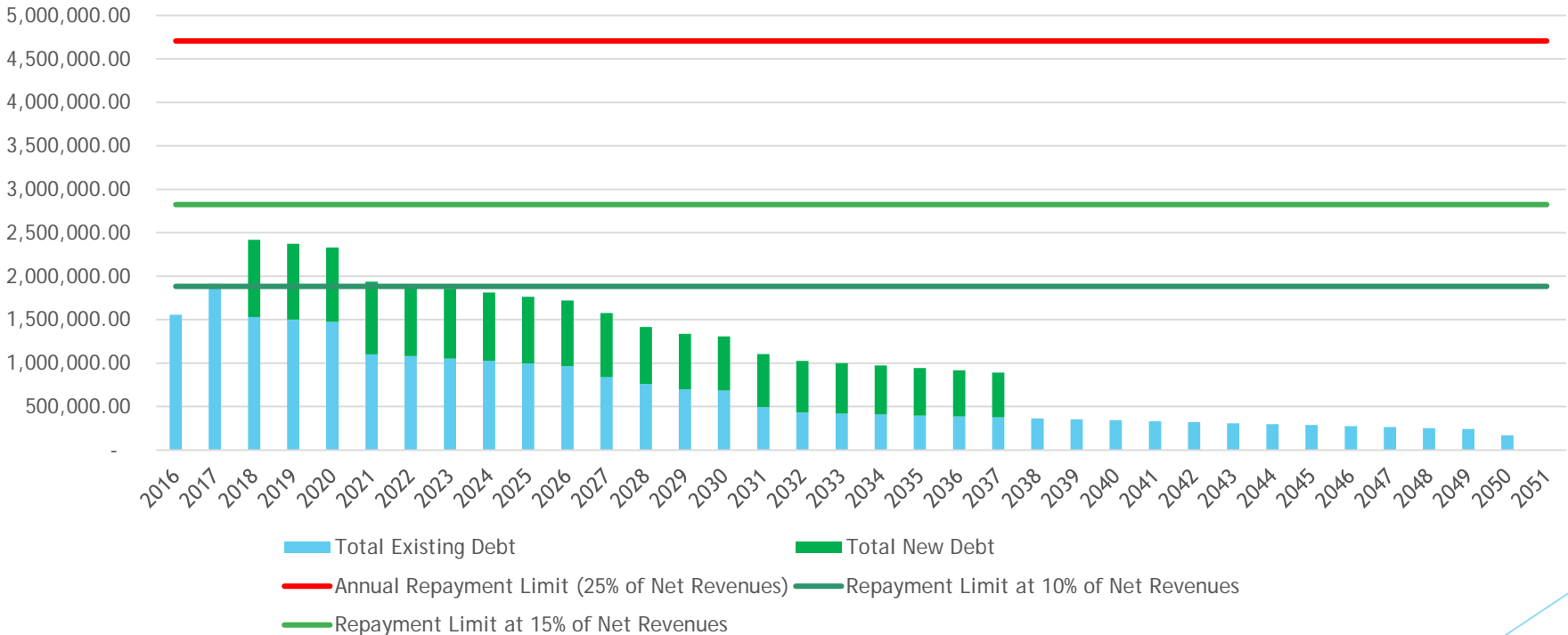
Debt Balance 2006 to 2021 (Page 117)



Projected Debt Servicing Costs to 2051

(Page 118)

Total Current and Projected Debt Servicing Costs 2016 to 2051

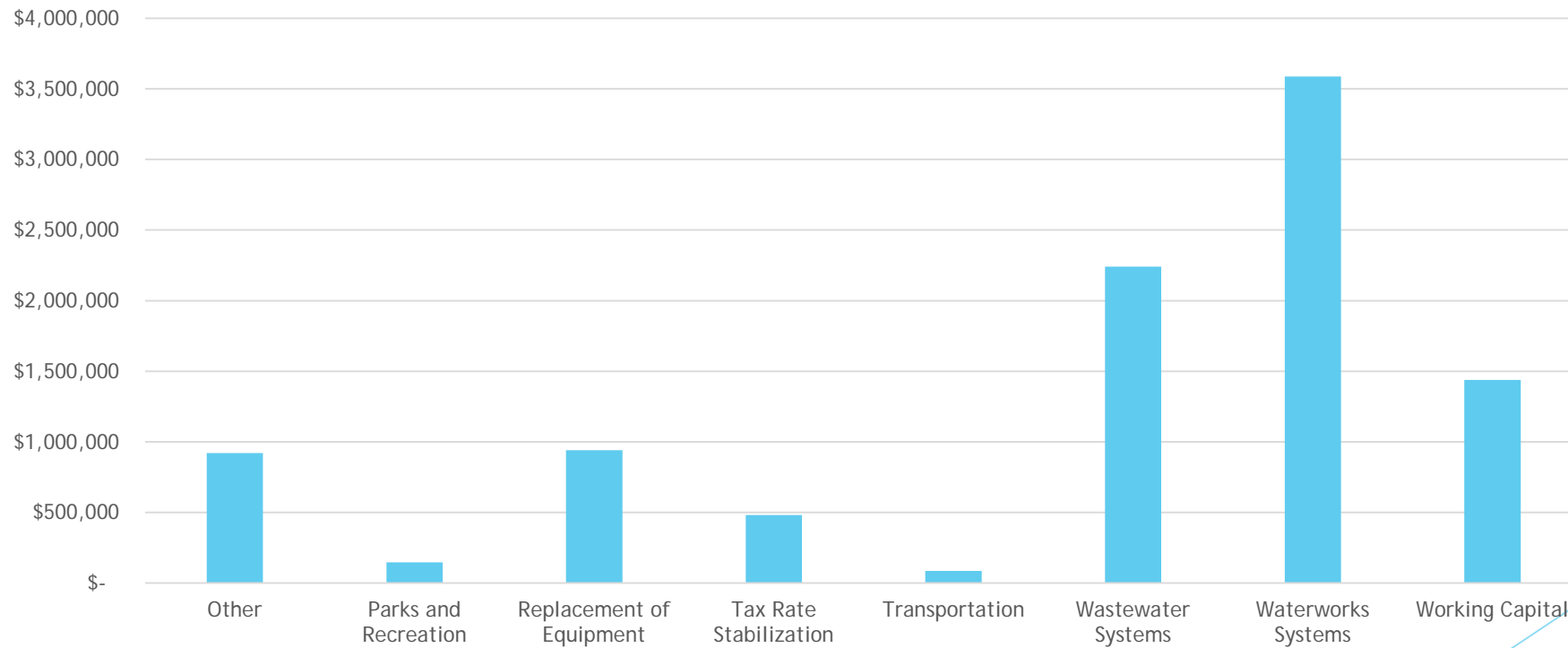


5 Year Capital Plan (Page105)

Town of Parry Sound Tax-Supported Activities	2017	2018	2019	2020	2021	Total
Buildings	\$6,337,500	\$2,505,000	\$18,000	\$884,700	\$20,000	\$9,765,200
Fleet	305,000	37,900	605,000	90,000	0	1,037,900
Land Improvements	455,000	629,050	0	0	0	1,084,050
Software	0	0	7,000	0	0	7,000
Roads (Land Improvements)	5,192,140	2,148,637	5,741,298	2,000,000	0	15,082,075
Machinery and Equipment	175,200	1,903,882	272,114	307,711	100,700	2,759,607
Total	\$12,464,840	\$7,224,469	\$6,643,412	\$3,282,411	\$120,700	\$29,735,832

Reserves and Reserve Funds (Pages 119 to 134)

Projected Balance Dec 2016



What is Being Funded Into Reserves (Pages 119 to 131)

- ▶ Elections \$5,000 (annual amount)
- ▶ Parks \$22,500 (BSM washroom work in 2018)
- ▶ Infrastructure Replacement \$50,000 (St. Charles crossing, work in 2018)
- ▶ Equipment Replacement \$139,800 (rolling stock plan and AMP)
- ▶ Building Replacement \$112,500 (AMP and replenishment for BOCC)
- ▶ Fleet Replacement \$450,000 (fleet plan)
- ▶ IT Replacement \$35,000 (annual amount)
- ▶ Wastewater Stabilization \$1,057,989 (rate supported)
- ▶ Water Stabilization \$585,524 (rate supported)

What is Being Funded From Reserves (Pages 121 to 122)

Bobby Orr Hall of Fame

- ▶ Games and performance hall computerized displays
- ▶ Bobby Orr Hall of Fame Gift Shop redesign
- ▶ Bobby Orr Hall of Fame website redesign

Stockey Centre

- ▶ Replacement of curtains and sheers

What is Being Funded From Reserves (Pages 122 to 125)

Waste Management and Landfill Decommissioning

- ▶ Funding for operating budget (related to the grinding of compost)
 - ▶ Staff will start to put a contribution into the reserve similar to elections

Equipment Replacement

- ▶ 20 year plan items
 - ▶ Mini Excavator
- ▶ Fire Services (AMP levy)
 - ▶ Pooled firefighters gear
 - ▶ Personal protective equipment
 - ▶ Fire Hall roof repairs

What is Being Funded From Reserves (Pages 127 to 128)

Building Replacement

- ▶ Municipal Building stairs and HVAC
 - ▶ NOTE Budget document shows this as BOCC it should be municipal office building
- ▶ Old Firehall renovations
- ▶ CP Station repairs

Fleet Replacement

- ▶ 20 Year Plan
 - ▶ Public Works Supervisor Vehicle
 - ▶ Dump Truck

What is Being Funded From Reserves (Pages 130 to 131)

IT

- ▶ Annual hardware replacement

Wastewater and Water Reserves

- ▶ Wastewater
 - ▶ 2016 Capital items
- ▶ Water
 - ▶ 2016 Capital items

What is Being Funded From Reserve Funds (Pages 132 to 133)

- ▶ Capital Asset Legacy Reserve Fund
 - ▶ Previously approved expenditure for Great North Road
- ▶ Parking Reserve
 - ▶ \$60,000 to fund loss of parking revenue, 3 year phase in
- ▶ EMS Equipment
 - ▶ 2017 capital purchases (ambulance replacement, defibrillators, spine boards, cots)
- ▶ Smelter Wharf
 - ▶ Maturing debt on Smelter Wharf, staff will be trying to refinance

Reserve Funds

- ▶ Income is derived from the bank accounts and added to the reserve fund
- ▶ Money out relates to either the parking program, or the EMS capital requirements for the year
- ▶ Money in is from the EMS budget or the agreement with SIFTO