



MUNICIPALITY OF ARRAN-ELDERSLIE

STAFF REPORT

COUNCIL
February 18, 2020
SRFIN.20.18

SUBJECT: 2020 Operating Department Budget

RECOMMENDATION:

Be It Resolved,

- 1) That SRFIN.20.18 be received – 2020 Operating Department Budget, and
- 2) That Council endorses the initiatives identified for 2020.

Submitted by:

Reviewed by:

Original Signed by

Original Signed by

Tracey Neifer
Treasurer

Connie McKinnon
Acting Deputy Clerk

BACKGROUND:

Section 290 for the Municipal Act, 2001, S.O. 2001, c.25 defines the requirements for a local municipality:

- ✓ For each year, a local municipality shall, in the year or the immediately preceding year, prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality, including:
 - Amounts sufficient to pay all debts of the municipality falling due within the year; and
 - Amounts required to be raised for sinking funds or retirement funds; and
 - Amounts required for any board, commission or other body.

The Act further defines what shall be included in the budget, such as estimated revenues from taxation levy, reserve transfers, estimated expenses, and prior year surplus or deficits.

COMMENTS:

I would like to thank the management team for their assistance and collaboration in compiling the departmental operating budgets and for the provision of comments with respect to 2019 operational variances and new initiatives planned for 2020. Management is continuing to work through the development of a Capital Program which will be presented to Council at a subsequent meeting.

The operating budget presented includes preliminary comparative data for 2019, and has been compiled based on the following assumptions:

- ✓ Revenue increases have been applied for changes in the Fees & Charges By-Law
- ✓ Approved pay rates, group benefit premiums and published benefit rates (ie. CPP, EHT, EI, OMERS, WSIB) have been applied to each of the respective departments; the hours of service provided by employees has remained constant unless otherwise noted.
- ✓ Inflationary impacts for materials and supplies estimated with consideration to CPI and historical trends
- ✓ Insurance premiums are allocated across the departments and has reflected the increase as quoted (\$19K and \$7K for Cyber Security), noting the market and claims history increase
- ✓ Budgetary increases as specified in agreements or through shared service arrangements, such as Bruce Area Solid Waste Recycling, Conservation Authorities, and Saugeen Mobility and Regional Transit.

The supporting tax rate by-law has not been provided at this time and will be brought forward at a subsequent meeting with a full presentation of the Capital Program, Reserves and final Operating Budget. Assessment information is available for 2020 and has been included in this report for information purposes.

The budgetary comments noted in the body of this report is intended to provide Council with an overview of the 2019 departmental achievements, identification of significant variances and new initiatives that have been put forward as priorities for 2020.

To improve departmental financial reports a number of line items have been reallocated and presented in their respective departments, such as fees collected on taxation for garbage collection, sewer and water user fees. As a result, the departmental revenues presented on this report differ from the 2019 budget document previously presented.

FINANCIAL/STAFFING/OTHER IMPLICATIONS:

The body of this report has been presented by key service areas:

Section 1	• Property Assessment
Section 2	• General Government
Section 3	• Protection Services
Section 4	• Transportation Services
Section 5	• Environmental Services
Section 6	• Health Services
Section 7	• Recreation & Cultural Services
Section 8	• Planning & Development
Section 9	• Overview
Section 10	• Reserves

CONCLUSION:


That Council approve the recommendations as set out in this report.

Section 1

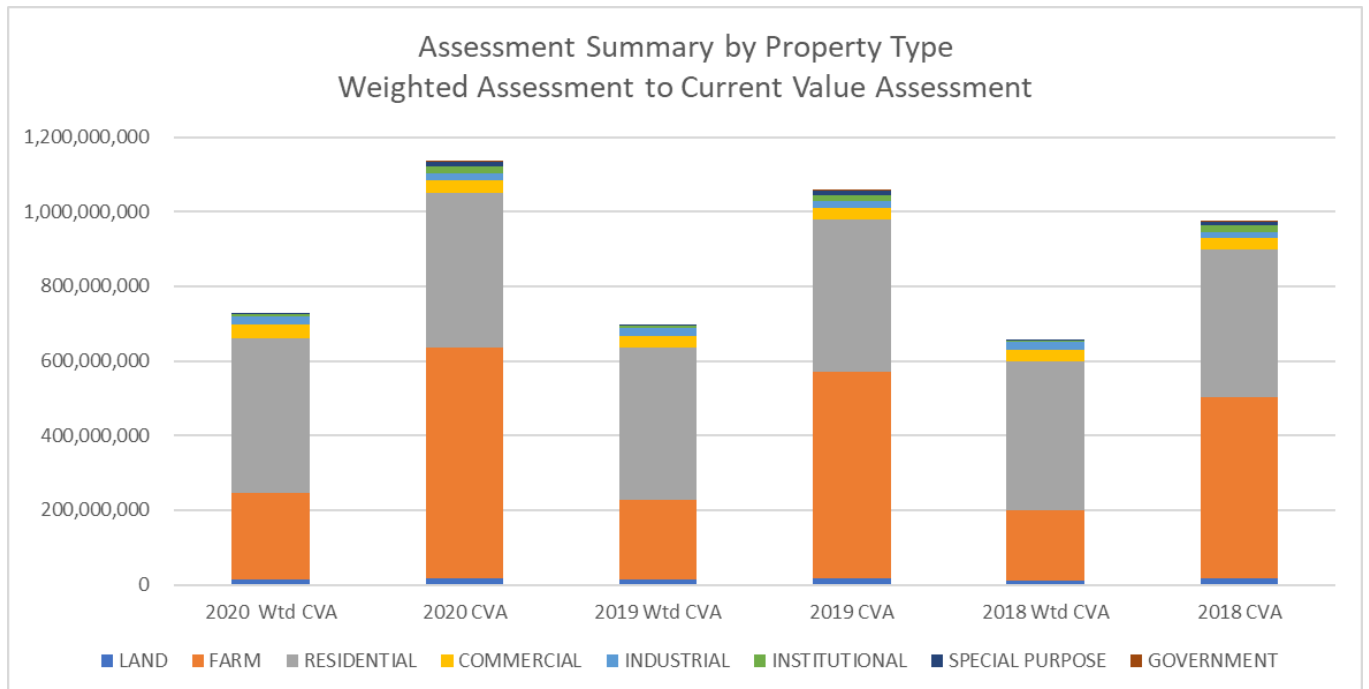
- Property
Assessment
-

Property Assessment

The current value assessment has increased by 7.27%, which equates to 4.26% in weighted assessment. The following chart shows the eight-year history of assessment, as we have now completed 2 full assessment cycles.

Arran-Elderslie - Assessment Change Profile 						
Tax Yr		Property Count	Phase CVA	% Change	Est. Weighted CVA	% Change
2012 CVA						
2013	Roll	3,962	701,995,068	6.35 %	546,136,726	-17.26 %
2014	Roll	3,962	748,325,696	6.60 %	577,615,029	5.76 %
2015	Roll	3,972	795,786,085	6.34 %	606,095,798	4.93 %
2016	Roll	3,973	843,273,500	5.97 %	634,306,944	4.65 %
2016 CVA						
2017	Roll	3,980	898,865,271	6.59 %	646,962,352	2.00 %
2018	Roll	3,988	975,004,468	8.47 %	656,620,613	1.49 %
2019	Roll	3,988	1,057,211,469	8.43 %	694,823,749	5.82 %
2020	Roll	4,026	1,134,050,400	7.27 %	724,563,623	4.28 %
2020	In-Year	4,029	1,139,331,700	0.47 %	729,468,541	0.68 %

The distribution of the weighted assessment across property types informs the base to which the tax levy is determined. The following chart illustrates that the municipalities assessment base is largely driven by residential (57%) and farm (32%), using the 2020 wtd. assessment.



This information will be referred to in a subsequent report with the calculation of the tax-rate for 2020.

Section 2

- General
Government
-

General Government

The Municipality of Arran-Elderslie is home to 6,800 residents within the three communities of Chesley, Paisley and Tara and the former Townships of Arran and Elderslie. Operations are governed by 7 elected officials that make decisions regarding the management of services for residents and over 50 staff members that carry out the day to day activities of the Municipality.

General government is inclusive of Council, Program Support for financial functions and administrative responsibilities, and Geographic Information System mapping (GIS).

Council

Council expenditures for honorariums and benefits assumes the same volume and frequency of meetings as occurred in 2019. The 2019 budget was understated in this area. The budget for projects/donations that are approved by Council has been realigned in 2020 to program support rather than as a direct expenditure of Council; the budget has continued at \$30K to cover fees and charges waived by Council. A transfer to reserve for elections costs is recommended at \$6K per year to ensure funds are available.

Program Support

Revenues in Program Support were significantly higher (\$1.6M) in 2019 due to reserve transfers, Ontario grant for Efficiency and Modernization and an insurance settlement. These revenue sources have been excluded for 2020. Expenses have been reduced by \$560K to remove one-time costs specific to 2019.

GIS

With ongoing requirements and regulations around asset management and asset management plans, the function of the GIS department continues to expand. Most notably is an increase in expenditures for the employment of a student (\$23K) to continue with the mapping of municipal assets and infrastructure that were started in 2019.

In December 2017 O.Reg. 588/17 Asset Management Planning for Municipal Infrastructure was introduced that requires all municipalities to have a comprehensive asset management plan in place by July 1, 2024 which will inform investment decisions. Provision has been made in the budget for contracted services (\$50K) to enable additional resources as we continue to review and work within the requirements of the regulation.

The operational costs of GIS have been subsidized by reserves (\$20K) held by Building and Water/Sewer departments, as there are operational benefits from the GIS mapping and asset management planning for those departments. Efficiency and modernization funds (\$10K) were approved on February 10th, 2020 as presented in report SRFIN.20.15, to support the contracted services.

**The Corporation of the Municipality of Arran-Elderslie
Operating Revenue and Expenditure Report - Budget
For the year ended December 31, 2020**

	Revenue			Expenditure			Net Revenue (Expenditure)			(Increase) Decrease in Budget
	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	
General Government										
Council	28,500	7,610	-	168,240	182,085	150,216	(139,740)	(174,475)	(150,216)	(10,476)
Program Support	2,600,774	3,646,489	1,905,450	990,397	1,647,240	991,703	1,610,377	1,999,249	913,747	(696,630)
Asset Management/GIS	35,712	-	30,000	22,400	19,861	75,636	13,312	(19,861)	(45,636)	(58,948)
	2,664,986	3,654,099	1,935,450	1,181,037	1,849,186	1,217,555	1,483,949	1,804,913	717,895	(766,054)

**Section
3**

**• Protection
Services**

Protection Services

Fire Departments

Arran-Elderslie is serviced by three volunteer fire departments and the Ontario Provincial Police. Over 75 volunteer firefighters from the Chesley and Area Fire Department, Paisley and Area Fire Department and Tara-Arran Fire Department keep our residents safe and are on call 24/7.

Our fire departments saw an increase in fire calls during 2019:

- ✓ Chesley – 80 (2018 – 77)
- ✓ Paisley – 76
- ✓ Tara – 41 (2018 – 34)

The increase in fire calls impacts several expenses, including wages, fuel, equipment repairs and other direct supply costs. The frequency of calls is not predictable for determining operational costs. The budgets proposed have resulted in an overall increase of \$27K.

Some budget items that are common to each of our fire departments; the inclusion of a boot allowance to ensure the safety of our fire fighters, enrolment in the Employee Assistance Program, and the ongoing replacement of protective gear. Since the inception of the Bell lease agreement, the revenues generated of \$8.5K per fire department, have been transferred to reserves. This has continued for 2020.

In 2019, the Chesley Fire Department:

- ✓ implemented a fire learning management system for improved training and record retention.
- ✓ recruited and provided an 8-month training program for 6 new members, which accounted for the increase in instructor costs.

For 2020, a comprehensive review of the Establishing and Regulating By-Law, as well as the Fire Department Regulations has been planned.

In 2019, the Paisley Fire Department:

- ✓ incurred additional costs for unplanned vehicle repairs.

For 2020, the department will move towards more electronic record keeping and personnel tracking. The fire department provides services to the municipalities of Brockton and Kincardine, and as it has been past practice 50% of their contributions has been transferred to reserves (\$56.5K).

A capital program needs to be undertaken to assess the needs of each of the fire departments with regards to the replacement of fire trucks and equipment, and the proposal of a new fire hall in Paisley. An urgent need has been identified in Paisley as the pumper chassis will be 21 years old in 2020 and in need of replacement. With an estimated replacement cost of \$1.3 to \$1.5M the annual transfer to reserve needs to be \$65K to \$75K. A reserve transfer of \$50K has been

provided for in 2020. An increase will need to be considered as part of the Capital Program to be brought forward at a subsequent meeting.

In 2019, the Tara Fire Department:

- ✓ implemented the Who's Responding application to improve fire call notification and communications

For 2020, a detailed review of budget lines has been completed which has provided for an additional transfer to reserve of \$10K.

Conservation

The municipality receives services from the Saugeen Valley Conservation Authority and the Grey Sauble Conservation Authority. The respective budgets in these areas is based on proposed budgets by each of these organizations.

Police

Arran-Elderslie has a contract with the Ontario Provincial Police to handle all policing needs. We are serviced by the South Bruce O.P.P detachment.

The annual costs are based on the OPP's Annual Billing Statement that was presented to Council in SRFIN.19.02 on October 15th, 2019. The cost per property has increased from \$343.01 to \$349.18, based on 3,298 properties in 2019 to 3,304 in 2020.

Building & Property Standards

Arran-Elderslie welcomes business and development. The Building department works with builders and owners to ensure building codes are met to make sure that every structure built in Arran-Elderslie is built safely.

The Building department saw a 99% increase in construction values in 2019, from \$11.9M in 2018 to \$23.6M in 2019, which contributed to the increase in revenues noted of \$71K. On average, over the past 5 years building permits are up 30%, with 181 in 2019 compared to an average of 127. The proposed budget has allowed for an increase in revenue, but not at the levels experienced in 2019. New housing starts in January are up compared to this time last year, which is a promising start. The Tara subdivision is approximately ½ full and we expect growth in Tara to be strong over the next year. Both residential and commercial activity is expected to continue in Chesley and Paisley with the natural gas initiative.

Expenditures in 2020 have increased for the annual subscription cost of the E-permitting module of \$13K. The department continues to support the GIS department with a \$10K contribution to reserve.

Property standards are currently managed through the provision of services from the Municipality of Brockton for a Municipal Law Enforcement Officer. These services are only part-time with one day per week. The budget for 2020 has proposed a change in this arrangement with the hiring of a part-time employee to work 30 hours per week for the period of May to October, at an estimated cost of \$19K. There will be an offsetting savings depending when the agreement with Brockton is discontinued, as costs are approximately \$1K per month, as well as revenue generated from tickets issued.

Animal Control, Crossing Guards, Emergency Measures

Continuing to maintain the service levels of 2019 with minimal changes reflected in the 2020 budget.

Emergency Measures has reflected an increase of \$1.7K for supplies and training related to the antenna communication.

	Revenue			Expenditure			Net Revenue (Expenditure)			(Increase) Decrease in Budget
	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	
Protection Services										
Fire										
Fire - Common Costs	-	750	-	50,000	50,750	50,000	(50,000)	(50,000)	(50,000)	-
Fire - Chesley	83,659	91,510	87,540	198,933	240,053	206,930	(115,274)	(148,543)	(119,390)	(4,116)
Fire - Paisley	128,556	130,266	137,741	225,960	254,730	250,985	(97,404)	(124,464)	(113,244)	(15,840)
Fire - Tara	33,854	77,523	62,642	156,849	164,130	192,424	(122,995)	(86,607)	(129,782)	(6,787)
	246,069	300,049	287,923	631,742	709,663	700,339	(385,673)	(409,614)	(412,416)	(26,743)
Conservation										
Conservation	-	-	-	28,000	20,304	22,000	(28,000)	(20,304)	(22,000)	6,000
Saugeen Valley Conservation Authority	-	-	-	42,151	42,151	43,820	(42,151)	(42,151)	(43,820)	(1,669)
Grey Sauble Conservation Authority	-	-	-	37,197	37,197	39,415	(37,197)	(37,197)	(39,415)	(2,218)
	-	-	-	107,348	99,652	105,235	(107,348)	(99,652)	(105,235)	2,113
Police	-	-	-	1,131,576	1,126,179	1,185,740	(1,131,576)	(1,126,179)	(1,185,740)	(54,164)
Animal Control	21,435	21,585	23,500	20,605	19,290	20,700	830	2,295	2,800	1,970
Building Inspection	143,000	213,605	165,000	143,198	120,837	165,000	(198)	92,768	-	198
Crossing Guards	-	-	-	36,205	35,606	37,682	(36,205)	(35,606)	(37,682)	(1,477)
Emergency Measures	-	-	-	10,000	8,496	11,743	(10,000)	(8,496)	(11,743)	(1,743)
Property Standards	5,000	-	5,000	55,380	12,809	26,153	(50,380)	(12,809)	(21,153)	29,227
	169,435	235,190	193,500	265,388	197,038	261,278	(95,953)	38,152	(67,778)	28,175
	415,504	535,239	481,423	2,136,054	2,132,532	2,252,592	(1,720,550)	(1,597,293)	(1,771,169)	(50,619)

Section 4

- Transportation Services
-

Transportation Services

Transportation services operates with three road crews operating from shops in Elderslie, Paisley & Tara. Roadwork includes winter/summer maintenance, storm drains, sweeping, crossing guards, streetlights, sidewalks, parks, bridges, culverts, resurfacing, line painting, grading, dust control, signs, vehicles, etc.

The more significant variances in this area are noted as:

- ✓ Administration – Union – a new collective agreement was effective for January 1st, 2020 and the respective changes in wages, benefits and clothing/boot allowances has been recognized for 2020. Staffing levels are expected to be similar to 2019.
- ✓ Bridges – similar to 2019, provision has been made for a transfer to reserves of \$120K based on Soper Bridge or Master Plan outcomes.
- ✓ Gravel – have maintained the same resurfacing budget as 2019 of \$120K which will allow for additional 4K tonne of quarry gravel for maintenance, opposed to gravel pit A-gravel.
- ✓ Roadside – increase of \$34K allows for the implementation of roadside spraying to complete ½ of the municipality in 2020.
- ✓ Safety – increase in budget is reflective of 2019 activity levels and will include a new village sign for Tara on Concession 8 by Arran-Tara School.
- ✓ Streetlighting – budget retained at 2019's budget, which includes the transfer of LED streetlight consumption savings to reserves, \$50K.
- ✓ Streetlighting – Allenford – previous costs were for the Allenford Police Village and the arrangement with South Bruce Peninsula, which is now complete.
- ✓ Winter Control – salt/sand - incurred additional costs in 2019 with the change in procedure by Bruce County. The 2020 budget is more reflective of expected annual costs.
- ✓ Winter Control – snow moving – includes a transfer to Reserve of \$10K compared to 2019 at \$20K.

	Revenue			Expenditure			Net Revenue (Expenditure)			(Increase) Decrease in Budget
	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	
Transportation Services										
Administration	40,700	67,302	64,274	113,433	114,375	115,682	(72,733)	(47,073)	(51,408)	21,325
Administration - Union	-	-	-	277,325	301,868	315,278	(277,325)	(301,868)	(315,278)	(37,953)
Bridges	-	-	-	157,560	152,140	161,824	(157,560)	(152,140)	(161,824)	(4,264)
Gravel	-	-	-	473,000	439,507	466,371	(473,000)	(439,507)	(466,371)	6,629
Hardtop	-	-	-	37,720	43,302	47,037	(37,720)	(43,302)	(47,037)	(9,317)
Parking	720	975	740	5,000	4,481	5,000	(4,280)	(3,506)	(4,260)	20
Roadside	-	179	-	71,130	54,452	104,736	(71,130)	(54,273)	(104,736)	(33,606)
Safety	-	-	-	39,500	60,771	62,049	(39,500)	(60,771)	(62,049)	(22,549)
Saugeen Mobility & Regional Transit	-	-	-	48,500	48,466	52,000	(48,500)	(48,466)	(52,000)	(3,500)
Shop	-	-	-	145,951	147,709	153,270	(145,951)	(147,709)	(153,270)	(7,319)
Streetlighting	-	-	-	164,096	107,130	164,137	(164,096)	(107,130)	(164,137)	(41)
Streetlighting - Allenford	-	-	-	3,800	-	-	(3,800)	-	-	3,800
Vehicles	-	-	-	430,000	422,410	434,360	(430,000)	(422,410)	(434,360)	(4,360)
	41,420	68,456	65,014	1,967,015	1,896,611	2,081,744	(1,925,595)	(1,828,155)	(2,016,730)	(91,135)
Winter Control										
Salt/Sand	-	-	-	126,500	125,379	113,828	(126,500)	(125,379)	(113,828)	12,672
Snow Moving	-	20,117	-	254,000	253,932	252,096	(254,000)	(233,815)	(252,096)	1,904
Standby	-	-	-	7,100	13,100	13,329	(7,100)	(13,100)	(13,329)	(6,229)
	-	20,117	-	387,600	392,411	379,253	(387,600)	(372,294)	(379,253)	8,347
	41,420	88,573	65,014	2,354,615	2,289,022	2,460,997	(2,313,195)	(2,200,449)	(2,395,983)	(82,788)

Section 5

- Environmental Services
-

Environmental Services

Sewer and Water Services

The municipality manages two urban water systems, Arran-Elderslie and Tara Water Works, and three sewer systems with locations in Chesley, Paisley & Tara.

Budgets and service levels in these areas have remained comparable to 2019's budget, with provision for the assumptions noted at the beginning of the report. There were some notable expenditure increases in 2019:

- ✓ Sewer – Chesley – unplanned replacement of manhole incurred costs of \$5k.
- ✓ Sewer – Paisley – incurred an insurance claim for a lightning strike
- ✓ Water – Chesley/Paisley and Tara – incurred additional costs for safety arrest equipment for the water towers.

The Common costs are related to wages, benefits and supplies that are shared between the sewer and water systems and are therefore funded by the respective systems and their reserves. Transfers from reserves has been budgeted to cover the operational costs of \$243K.

The user fees collected from each of the respective systems exceeds the annual operating expenditures, and the surplus funds, \$1.7M has been budgeted to transfer to Reserve in 2020.

Source Water Protection

Source Water Protection is related to the monitoring of wells to ensure safe drinking water. These costs are being funded by water reserves for 2020. It is unclear if there will be any Ontario Grants, so the budget has not provided for these funds.

Garage Collection, Disposal and Recycling

There are two landfill sites within the municipality, one in Arran which is an active site and Chesley, which is a closed site that provides a depot for compost, scrap metal and tires. Services for garbage collection are contracted out to Bruce Services Sales and Rental. Recycling services is provided by Bruce Area Solid Waste Recycling which is a non-for-profit organization dedicated to improving the environment of their customers. Arran-Elderslie is a member municipality of this organization.

In September 2019 the contract with Bruce Service Sales and Rentals was renewed for another 3 year term with an annual increase of 1.8%.

There was an increase in costs for waste disposal due to extra training, fencing at

the Chesley site and sample well decommission at the Arran Site. The budget reflects maintaining the same service level as 2019.

	Revenue			Expenditure			Net Revenue (Expenditure)			(Increase) Decrease in Budget
	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	
Environmental Services										
Sewer										
Sewer - Chesley	521,050	519,985	535,090	111,882	130,892	126,443	409,168	389,093	408,647	(521)
Sewer - Paisley	248,350	213,995	253,260	124,142	172,261	135,571	124,208	41,734	117,689	(6,519)
Sewer - Tara	260,159	258,326	266,949	47,237	42,235	45,041	212,922	216,091	221,908	8,986
	1,029,559	992,306	1,055,299	283,261	345,388	307,055	746,298	646,918	748,244	1,946
Water										
Water - Chesley/Paisley	1,065,710	992,187	1,095,892	158,927	186,728	177,373	906,783	805,459	918,519	11,736
Water - Tara	380,730	430,127	390,158	119,792	119,867	120,088	260,938	310,260	270,070	9,132
	1,446,440	1,422,314	1,486,050	278,719	306,595	297,461	1,167,721	1,115,719	1,188,589	20,868
Total Water & Sewer	2,475,999	2,414,620	2,541,349	561,980	651,983	604,516	1,914,019	1,762,637	1,936,833	22,814
Common Costs	-	4,589	-	244,164	256,589	243,194	(244,164)	(252,000)	(243,194)	970
Net Transfer to Reserve	-	-	243,194	1,666,441	1,666,441	1,936,833	(1,666,441)	(1,666,441)	(1,693,639)	(27,198)
	2,475,999	2,419,209	2,784,543	2,472,585	2,575,013	2,784,543	3,414	(155,804)	-	(3,414)
Source Water Protection	-	14,851	10,710	10,500	10,523	10,710	(10,500)	4,328	-	10,500
Storm Water										
Catch Basins	-	-	-	16,240	15,794	23,953	(16,240)	(15,794)	(23,953)	(7,713)
Ditches	-	-	-	24,748	12,285	22,857	(24,748)	(12,285)	(22,857)	1,891
	-	-	-	40,988	28,079	46,810	(40,988)	(28,079)	(46,810)	(5,822)
Garbage Collection	289,440	290,227	296,792	166,200	167,322	170,509	123,240	122,905	126,283	3,043
Waste Disposal	120,300	100,921	100,200	111,980	129,225	130,086	8,320	(28,304)	(29,886)	(38,206)
Recycling	2,720	708	700	81,100	81,305	82,859	(78,380)	(80,597)	(82,159)	(3,779)
	412,460	391,856	397,692	359,280	377,852	383,454	53,180	14,004	14,238	(38,942)
	2,888,459	2,825,916	3,192,945	2,883,353	2,991,467	3,225,517	5,106	(165,551)	(32,572)	(37,678)

**Section
6**

- **Health
Services**
-

Health Services

The Paisley and Chesley Medical Clinics enable residents to receive a variety of healthcare services close to home. The Municipality maintains several cemeteries throughout Arran-Elderslie and these cemeteries provide different interment options. Our cemeteries are important cultural heritage sites.

The Clinic budgets are reflective of inflationary changes and are comparable to 2019 operations.

The Chesley and Tara cemeteries have maintenance work required at the mortuary buildings; new windows, doors and soffit/facia has been planned for 2020.

The Elderslie cemetery includes plans to repair a portion of the headstones with tilting or poor foundations.

	Revenue			Expenditure			Net Revenue (Expenditure)			(Increase) Decrease in Budget
	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	
Health Services										
Clinics										
Chesley	59,650	57,838	59,620	45,670	43,360	47,115	13,980	14,478	12,505	(1,475)
Paisley	18,658	18,963	18,658	11,301	14,551	13,424	7,357	4,412	5,234	(2,123)
	78,308	76,801	78,278	56,971	57,911	60,539	21,337	18,890	17,739	(3,598)
Cemeteries										
Common Costs	-	-	-	3,600	1,701	2,000	(3,600)	(1,701)	(2,000)	1,600
Arran	-	30	30	4,195	1,793	1,985	(4,195)	(1,763)	(1,955)	2,240
Chesley	34,160	41,903	44,250	54,229	40,381	48,319	(20,069)	1,522	(4,069)	16,000
Elderslie	-	1,359	1,300	2,225	3,140	5,195	(2,225)	(1,781)	(3,895)	(1,670)
Paisley	2,450	1,371	1,700	15,411	9,431	13,664	(12,961)	(8,060)	(11,964)	997
Tara	27,365	31,844	33,500	33,311	25,072	33,098	(5,946)	6,772	402	6,348
	63,975	76,507	80,780	112,971	81,518	104,261	(48,996)	(5,011)	(23,481)	25,515
	142,283	153,308	159,058	169,942	139,429	164,800	(27,659)	13,879	(5,742)	21,917

Section 7

- Recreation & Cultural Services
-

Recreation and Cultural Services

Arran-Elderslie Recreation strives to provide programs, services and facilities to people of all demographics to help residents maintain healthy active lifestyles. Community facilities include community centres, halls, arenas, ball diamonds, outdoor swimming pools, soccer fields, recreation programs, events, library and museum facilities in the Town of Chesley, and the Village of Paisley and Tara.

Facilities, Parks and Recreation Department successfully implemented the following initiatives:

- ✓ Arena lights were replaced with LED lighting in Chesley, and a new Zamboni was purchased.
- ✓ Ventilation and LED lighting was installed within the Tara Community Centre.
- ✓ An accessible washroom was installed at the Paisley Town Hall.
- ✓ Recreation software was purchased that will allow for online or in-person program and facility reservations. This system will be available to the public on April 1, 2020.

Facility rentals and recreation program registration remained relatively consistent from the prior year.

Many variances between the 2019 and 2020 operational budget are related to wage increases. Specific to day camp and pool, budget projections are directly related to the wages that have been approved for the summer students.

The Chesley Trailer Park is anticipating a substantial increase within the 2020 budget as staff are recommending that surplus funds from the Chesley Trailer Park be forwarded to a Reserve account that is specific to future Trailer Park initiatives. To start the reserve an initial transfer of \$25K has been suggested.

	Revenue			Expenditure			Net Revenue (Expenditure)			(Increase) Decrease in Budget
	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	
Recreation & Cultural Services										
Parkland/Recreation	5,712	11,436	2,520	140,339	124,392	130,143	(134,627)	(112,956)	(127,623)	7,004
Administration	-	7,798	-	93,450	91,873	88,286	(93,450)	(84,075)	(88,286)	5,164
Common Costs	-	-	-	6,834	5,960	16,747	(6,834)	(5,960)	(16,747)	(9,913)
	5,712	19,234	2,520	240,623	222,225	235,176	(234,911)	(202,991)	(232,656)	2,255
Programs										
Arran-Elderslie	15,550	23,003	15,745	58,445	61,769	57,461	(42,895)	(38,766)	(41,716)	1,179
Day Camp	56,860	60,749	57,998	54,838	67,161	68,453	2,022	(6,412)	(10,455)	(12,477)
	72,410	83,752	73,743	113,283	128,930	125,914	(40,873)	(45,178)	(52,171)	(11,298)
Ball Fields										
Arran/Allenford	-	-	-	2,300	2,920	2,900	(2,300)	(2,920)	(2,900)	(600)
Chesley	3,900	5,485	4,900	14,942	16,268	13,984	(11,042)	(10,783)	(9,084)	1,958
Paisley	1,250	921	1,452	5,663	2,557	4,925	(4,413)	(1,636)	(3,473)	940
Tara	6,800	7,486	7,106	17,187	15,978	19,114	(10,387)	(8,492)	(12,008)	(1,621)
	11,950	13,892	13,458	40,092	37,723	40,923	(28,142)	(23,831)	(27,465)	677
Facilities										
Arran/Arkwright Community Centre	700	651	714	5,781	4,059	5,288	(5,081)	(3,408)	(4,574)	507
Chesley Community Centre	142,990	168,814	156,577	333,827	336,059	352,352	(190,837)	(167,245)	(195,775)	(4,938)
Paisley Community Centre	100,560	98,807	103,119	283,039	263,854	283,526	(182,479)	(165,047)	(180,407)	2,072
Tara Community Centre	82,820	83,591	84,040	228,377	223,386	240,103	(145,557)	(139,795)	(156,063)	(10,506)
Chesley Pool	13,370	16,204	14,140	49,753	64,920	66,277	(36,383)	(48,716)	(52,137)	(15,754)
Tara Pool	17,625	22,604	17,978	48,403	58,160	61,315	(30,778)	(35,556)	(43,337)	(12,559)
Chesley Trailer Park	33,775	39,374	35,301	27,371	20,185	47,840	6,404	19,189	(12,539)	(18,943)
Chesley Town Hall (Lease)	2,052	2,028	2,100	23,429	19,454	22,802	(21,377)	(17,426)	(20,702)	675
Paisley Legion (Lease)	-	-	-	14,000	5,714	6,000	(14,000)	(5,714)	(6,000)	8,000
Paisley LCBO (Lease)	22,162	20,906	20,662	14,479	11,048	12,845	7,683	9,858	7,817	134
	416,054	452,979	434,631	1,028,459	1,006,839	1,098,348	(612,405)	(553,860)	(663,717)	(51,312)
Libraries										
Chesley	22,429	22,858	22,878	18,821	19,094	19,695	3,608	3,764	3,183	(425)
Paisley	7,378	7,528	7,526	8,947	8,501	9,143	(1,569)	(973)	(1,617)	(48)
Tara	7,649	7,619	7,802	13,461	11,384	14,620	(5,812)	(3,765)	(6,818)	(1,006)
	37,456	38,005	38,206	41,229	38,979	43,458	(3,773)	(974)	(5,252)	(1,479)
Museum - Paisley	2,650	9,343	2,703	17,185	11,161	17,538	(14,535)	(1,818)	(14,835)	(300)
	546,232	617,205	565,261	1,480,871	1,445,857	1,561,357	(934,639)	(828,652)	(996,096)	(61,457)

Section 8

- Planning & Development
-

Planning and Development

The Bruce County Planning Department carries out planning activities for the Municipality of Arran-Elderslie. We have multiple plans and by-laws that outline how land in our Municipality can be used and the long-term plans for our land. The Economic Development Department carries out projects with businesses, future businesses and the community to facilitate and contribute to the long- and short-term growth of the Municipality.

Gravel Pit

Expenditures have increased due to the planned maintenance that is required on the Kuipfer/Hagedorn pit.

Natural Gas Project

The Municipality's of Kincardine, Arran-Elderslie, and the Township of Huron-Kinloss have been working together over the past 5+ years through a cost sharing arrangement, to bring natural gas into the area. In consultation with the Municipality of Kincardine, they are not anticipating any costs to be incurred in 2020.

Downtown Decoration

With the increase in downtown revitalization projects in 2019 and budgeted in 2020, an increase in funds dedicated to downtown décor is needed. A budget increase is needed to cover the upkeep of the downtowns and assist with projects.

Economic Development

Both revenues and expenses incurred significant increases in 2019 compared to budget and the 2020 budget is reflecting similar overall revenues with an increase in expenses of \$36K. A key success for 2019 was the Fall Royal Gala that was sponsored by Chesley Physician Recruitment, as they raised over \$85K. The Community Development Coordinator provided assistance and ongoing support during the event. The increase in revenues, as well an offsetting increase in expenses is directly attributed to this event.

Bruce County awarded two Spruce the Bruce Grants in 2019.

The Economic Development Strategic Plan is being funded by the Efficiency/Modernization funds that were transferred to a reserve in 2019. The budget has provided for a transfer from the reserve of \$20,000.

New projects planned for 2020:

- ✓ Paisley Artscape Society Seed Grant - The Municipality of Arran-Elderslie and Paisley Artscape Society are applying as a collaborative for an Ontario Trillium Foundation Seed grant to develop a 'Paisley Arts Hub'. \$75,000 is budgeted for this project with revenues from the Ontario Trillium Foundation Seed grant covering the entirety of the project. This project will only be completed if the grant is received.
- ✓ Advertising and Marketing - Advertising and marketing the opportunities available in Arran-Elderslie is essential to economic development. Print marketing pieces and digital marketing promotions will be developed to show investment, business and tourism opportunities available within the Municipality. A total of \$13,000 is budgeted for Advertising and Marketing in 2020.
- ✓ Paisley Business Campaign Implementation - The Paisley Business Recruitment Strategy will be finalized in early 2020 to enable the Economic Development department to implement key projects related to business recruitment in Paisley. In year one, print marketing, digital marketing, content design and signage will be a main focus and are key to implementing the strategy. This funding will not be spent until the Paisley Business Recruitment Strategy is approved by Council. A total of \$8,100 is budgeted for the Paisley Business Campaign Implementation.
- ✓ Downtown Revitalization - Downtown revitalization funding budgeted for Chesley, Paisley and Tara will enable the communities to continue building on the success of the revitalization projects completed in 2019 with the Province of Ontario Downtown Revitalization funding and will ensure that the Municipality of Arran-Elderslie downtowns are a focal point of the Municipality. \$5,000 is budgeted for each of Chesley, Paisley and Tara to complete downtown revitalization projects in 2020. Municipal funding will be leveraged with additional funding sources and partnerships to maximize Municipal input to revitalization efforts through organizations such as Bruce County Spruce the Bruce and Regional Tourism Organization. Unspent funds in these accounts will be transferred to 2021 if not spent entirely in 2020 and will enable communities to save funds to complete larger projects.
- ✓ Youth Council - The Arran-Elderslie Youth Council will be implemented in 2020 as approved by Council in 2019. \$500 is budgeted for meeting expenses for this Council. Grant funds have been received and additional grant opportunities will be explored to leverage the Municipal contribution.
- ✓ Business Events - \$1,500 is budgeted for hosting business events such as the 2020 Commercial Space Open House, speakers and networking events for business owners. To maximize this funding, partnership opportunities will be explored.
- ✓ Physician Recruitment Tours - Physicians and medical students who are in the process of being recruited to the Chesley Hospital are often brought to the Municipality for tours of the community, hospital and medical clinic. The Community Development Coordinator is often given the opportunity to host

these visitors for a tour and/or meal to give visitors the opportunity to take in what the Municipality has to offer. \$500 is budgeted to assist with physician tours.

- ✓ Contribution to Economic Development Reserve - \$10,000 is budgeted to be contributed to the economic development reserve in 2020. After completing the Economic Development Strategic Plan in 2020, it is expected that larger projects will come out of this plan to be developed in 2021 and beyond. The funds contributed to this reserve in 2020 will allow the Economic Development Department to save for larger projects to be implemented after 2020.

Tile Drainage

In 2019 sections of three municipal drains were cleaned out, the Walker, Cummings and Hall drains. Presently, one is being reviewed for clean out in 2020, the Simpson Drain.

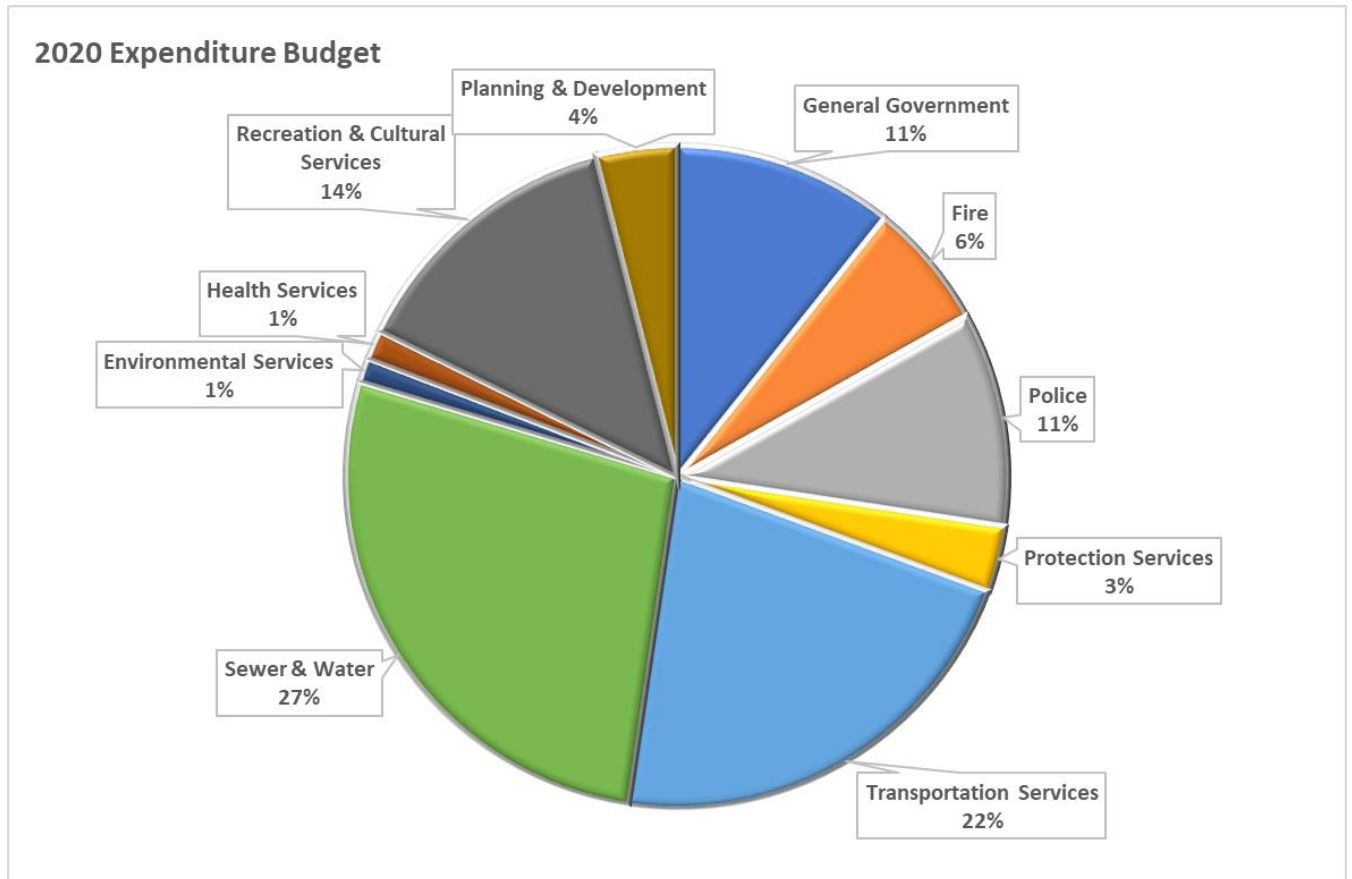


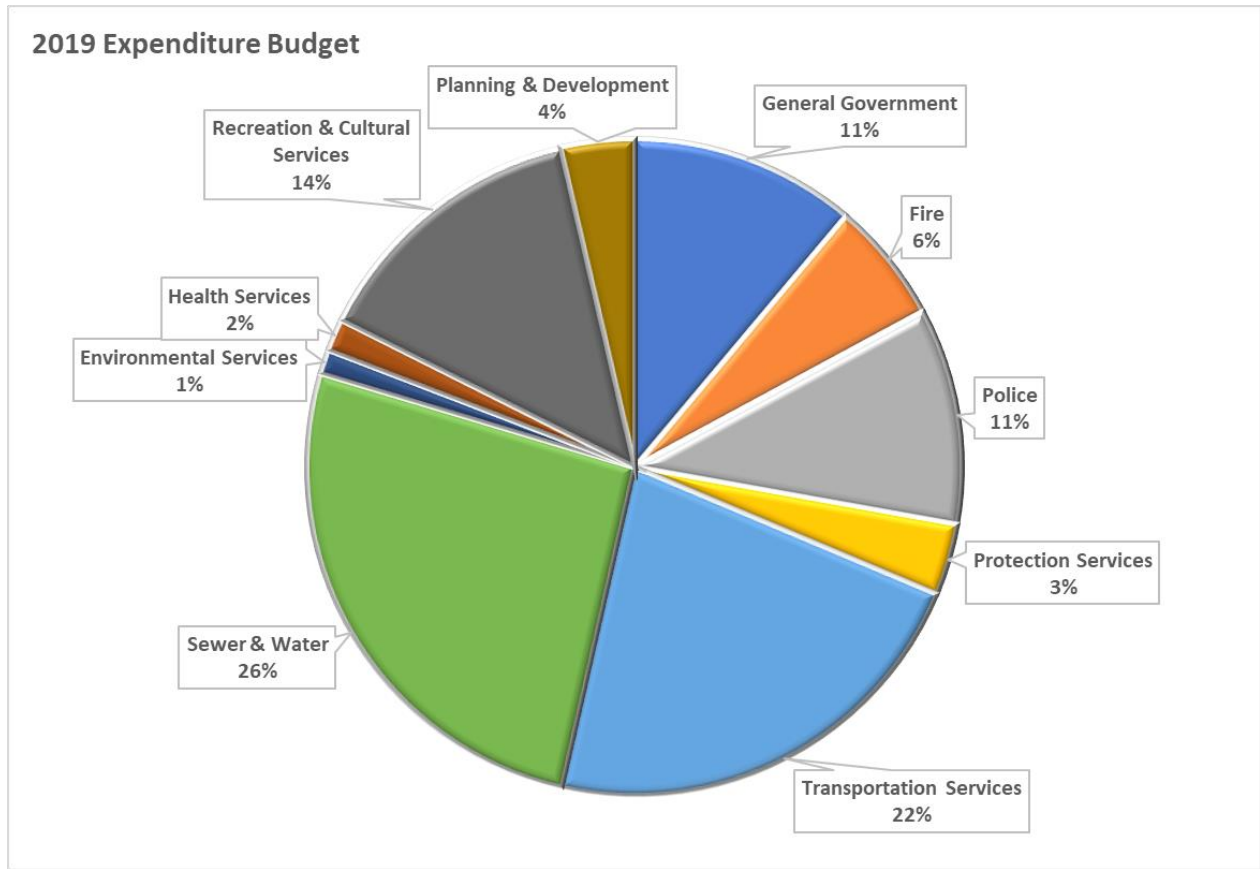
	Revenue			Expenditure			Net Revenue (Expenditure)			(Increase) Decrease in Budget
	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	
Planning & Development										
Planning/Zoning	-	500	-	-	-	-	-	500	-	-
Commercial/Industrial Development	-	-	-	-	-	-	-	-	-	-
Downtown Decoration	-	-	-	50,800	54,850	59,476	(50,800)	(54,850)	(59,476)	(8,676)
Gravel Pit	-	-	-	1,510	1,697	5,107	(1,510)	(1,697)	(5,107)	(3,597)
Natural Gas Project	30,000	-	-	30,000	1,129	-	-	(1,129)	-	-
Economic Development	22,250	101,232	107,459	84,907	202,512	238,845	(62,657)	(101,280)	(131,386)	(68,729)
Tile Drainage	228,326	160,013	120,450	215,468	186,556	147,450	12,858	(26,543)	(27,000)	(39,858)
	280,576	261,745	227,909	382,685	446,744	450,878	(102,109)	(184,999)	(222,969)	(120,860)

Section
9

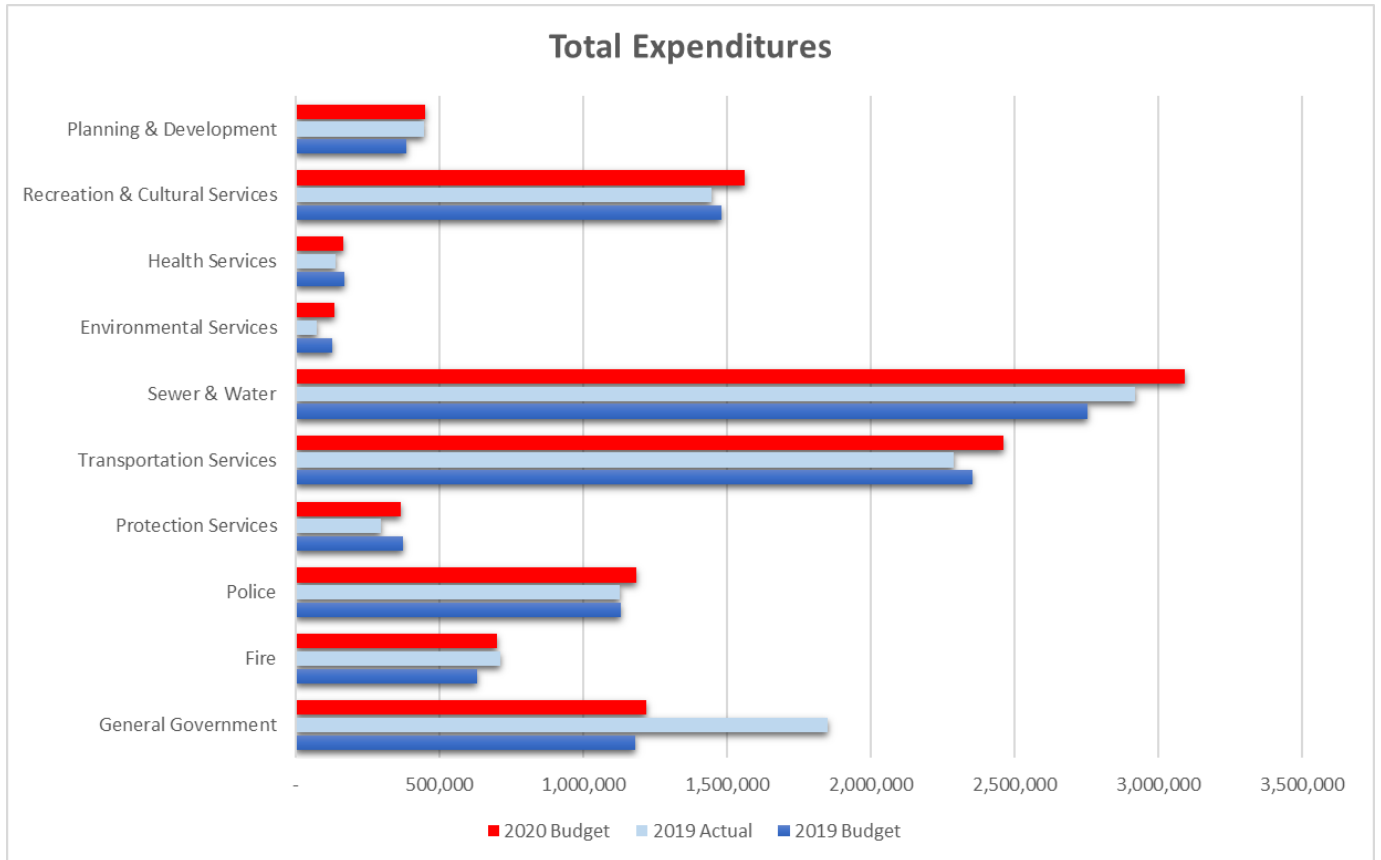
• Overview

The distribution of operating expenses has remained comparable from 2019 to 2020, as evidenced by the following chart showing the distribution of operating costs by key service area.





The total expenditures by key service area has been supported by the comments provided by management in each of the preceding sections. The following chart presents the total operating expenditures for 2020 compared to 2019 actuals and budget.



	Revenue			Expenditure			Net Revenue (Expenditure)			(Increase) Decrease in Budget
	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	2019 Budget	2019 Actual	2020 Budget	
Totals										
Totals	6,979,460	8,136,085	6,627,060	10,588,557	11,294,237	11,333,696	(3,609,097)	(3,158,152)	(4,706,636)	(1,097,539)
Transfer to Reserve for Capital Program	-	-	-	1,640,952	2,178,281	1,090,969	(1,640,952)	(2,178,281)	(1,090,969)	549,983
Tax Levy	5,250,049	5,336,433	5,797,605	-	-	-	5,250,049	5,336,433	5,797,605	547,556
	12,229,509	13,472,518	12,424,665	12,229,509	13,472,518	12,424,665	-	-	-	-

Section
10

• Reserves

The Corporation of the Municipality of Arran-Elderslie
Schedule of Reserve Transfers - Budget
For the year ended December 31, 2020

	Transfers	
	To Reserve	From Reserve
General Government		
Council	6,000	-
Program Support	1,090,969	-
Asset Management/GIS	-	30,000
	1,096,969	30,000
Protection Services		
Fire		
Fire - Common Costs	50,000	-
Fire - Chesley	8,500	-
Fire - Paisley	65,035	-
Fire - Tara	18,500	-
	142,035	-
Building Inspection	11,337	-
	153,372	-
Transportation Services		
Bridges	120,000	-
Streetlighting	50,000	-
	170,000	-
Winter Control		
Snow Moving	10,000	-
	180,000	-
Environmental Services		
Sewer		
Sewer - Chesley	408,647	-
Sewer - Paisley	117,689	-
Sewer - Tara	221,908	-
	748,244	-
Water		
Water - Chesley/Paisley	918,520	-
Water - Tara	270,070	-
	1,188,590	-
Total Water & Sewer	1,936,834	-
Common Costs		243,194
	1,936,834	243,194
Recreation & Cultural Services		
Chesley Trailer Park	25,000	-
	25,000	-
Planning & Development		
Economic Development	10,000	20,000
	10,000	20,000
Totals		
Totals	3,402,175	293,194