



**Special (Budget) Meeting (if deemed required by Council)
Wednesday, January 12, 2022
Teleconference/Video Conferencing**

COUNCIL AGENDA

CONVENE: 6:00 P.M.

Due to COVID-19 and recommendations by Waterloo Region Public Health to exercise social distancing and public gathering thresholds, Township Council meetings are currently being held electronically. Members of the public may watch and/or participate in this open meeting electronically using any of the following methods:

1. Watch the livestream by accessing the meeting at: <https://calendar.northdumfries.ca/council>. Under the video column, click on the link for the meeting date that you wish to watch. You do not need a YouTube account to watch the livestream. You cannot directly participate in the meeting via the livestream, as this is for viewing only.
2. Members of the public interested in attending as an observer, or wishing to speak to any items must submit the request in writing to the Clerks Division at clerk@northdumfries.ca before 6:00 p.m. on January 11, 2022. A link and telephone number will be provided to those who register before the registration deadline.
3. If you would like to comment on a particular item, but are not available to attend the meeting virtually, members of the public are invited to submit written comments at clerk@northdumfries.ca, which will be provided to the Mayor and Council prior to the meeting and will form part of the public record.

Chair Mayor Foxton

1. **CALL TO ORDER**
2. **APPROVAL OF THE AGENDA**
3. **INDIGENOUS TERRITORY ACKNOWLEDGEMENT**
4. **MOMENT OF REFLECTION**
5. **DISCLOSURE OF PECUNIARY INTEREST & GENERAL NATURE THEREOF**



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6. ITEMS FOR CONSIDERATION

6.1 Report No. FIN-01-2022: 2022 Draft Budget

(Draft 2022 Budget Book was released on December 13, 2021 and is available for viewing on the Township website: <https://www.northdumfries.ca/en/township-services/resources/Documents/Finance/2022-Budget-Book-Dec-13-2021.pdf>).

- i) Presentation by Christina Brox, Treasurer/Director of Corporate Services on the Draft 2022 Budget, including Department Operating and Capital Budgets and Business Plans.

At the conclusion of the January 10th, 2022 Special (Budget) Meeting, Council will decide whether or not another review of the draft 2022 Budget is required for a meeting tentatively scheduled for Wednesday January 12th, 2022 at 6:00 p.m.

The 10-year Capital Forecast (2022 to 2031) and the Reserve Continuity Analysis will be discussed at the Special Council Meeting scheduled on January 27th at 6:00 p.m.

7. CONFIRMATORY BY-LAW

By-law No. 3298-22 - Being a By-law to Confirm the Proceedings of Special (Budget) Meeting held on January 12, 2022.

8. ADJOURNMENT



January 10, 2022
COMMITTEE OF THE WHOLE

2022 DRAFT BUDGET UPDATES

The Chief Administrative Officer and the Treasurer / Director of Corporate Services recommends:

- 1) **THAT FIN Report No. 01-2022 regarding the 2022 Draft Budget be received;**
- 2) **AND THAT the Draft 2022 budget be amended to add the following;**
 - a. **That the Transfer from Reserves related to unspent community grants be decreased to \$10,000 and a corresponding reduction in the 2022 community grant funding allowance be implemented to recognize a revised budget line of \$32,500;**
- 3) **AND THAT direction be provided to Staff on the next steps for the 2022 Budget related to payments to TAPMO, CMHF and participation in a shared resource to implement initial phases of the TransformWR program.**

1. PURPOSE

The purpose of this Report is to provide updates to Council on the 2022 draft Budget which was presented to Council for review on December 13th, 2021. The information contained in this report may require amendments to the 2022 draft Budget book, which is been reviewed at special Budget meetings to be held on January 10th, 2022 and if required on January 12th, 2022.

A hard copy of the draft 2022 Budget document has been previously provided to members of Council. A digital copy of the draft 2022 Budget document is available for viewing / downloading on the Township website [www.northdumfries.ca] – follow the link to 2022 Budget

2. BACKGROUND

Council was presented with the draft 2022 Budget on December 13, 2021. The early release of the draft Budget was designed to provide time for Council and interested members of the Public to review the document ahead of the January meetings.

The document was posted on the Township's website for public review.

Resolutions of Council based on reports that were received as well as some updates on items raised by staff that may affect the 2022 Budget and are outlined below for Council's

consideration. These items are discussed in this report, and staff seeks Council direction on certain line items because of this new or updated information.

It is proposed that the 2022 Budget discussion be broken into two phases as follows:

- 1) January 10th and if required on January 12th – Overview of the 2022 budget, including discussion on each Department's operational budget and the 2022 proposed Capital Budget.
- 2) January 27th – Review of Reserve continuity and discussion on 10 Year Capital forecast and addressing any amendments / new information arising from the January 10th and 12th discussions

3. OPTIONS AND ANALYSIS

3.1 Update to the Draft 2022 Budget

The following items are updated information regarding budget lines included in the original draft 2022 Budget as presented on December 13th, 2021 to Council.

A) Tax Levy and Tax Rates

The final assessment roll was delivered December 13, 2021, after the 2022 Draft Budget Book was released. There was no change in the assessment growth from the 1.09% estimate that was included in the original 2022 Budget as presented to Council.

The tax rate is calculated as follows:

Total Estimated Expenditures Less Total Estimated Revenues = Net Levy to be raised from Taxes. This is divided by the Weighted Assessment for the Township to determine the Tax Rate increase.

As there was no change in the Weighted Assessment, there is no impact on the calculated the tax rate increase as previously presented to Council in December 2021.

Attachment No. 1 to this Report illustrates the Tax Levy and Tax Rate calculations for both the Rural and Ayr Special Rate (Urban) areas.

The Draft 2022 Budget identifies a net expenditure of \$6,458,149 to be raised through the property tax levy. This translates into a 3.8% tax rate increase over 2021. The tax rate increase can be broken down as follows:

- i) 1.3% directed to Capital Reserve transfers; and
- ii) 2.5% directed at overhead and operating expenses

The Township experienced a 1.09% growth in tax assessment roll. The proposed Taxation requirement in this draft Budget is \$6,458,149. This represents is an increase of \$300,479 over the 2021 fiscal year requirements, which based on the average Residential Assessment for the Township of North Dumfries being \$372,300, results in an estimated increase of \$36.57 for Urban Ayr and \$35.40 for Rural residents in property taxes.

The average residential assessment of \$372,300 is used as the basis for comparison, as it is the same level as used from 2017 – to 2021 and creates a better comparison of rates year over year. While the market value on properties has substantially changed since the average was calculated in 2016, the actual assessments used for taxation purposes has not changed when calculating property taxation. Property taxes continue to be assessed at the 2016 assessment values.

B) Ontario Community Infrastructure Fund (OCIF)

On December 8th, 2021, the Provincial Government announced additional Funding allocations under the OCIF program. This program provides funding to help small, rural and northern communities build and repair critical infrastructure.

The Township of North Dumfries was notified it would be in receipt of \$512,092 for 2022. This amount is reflected in the 2022 Draft Budget as presented on December 13, 2021 as part of the funding for the various – Road Resurfacing capital funding. The OCIF increase will be included within the updated 10-year Capital Forecast to be discussed on January 27, 2022.

C) Adjustment to Community Grant

The original 2022 draft budget submitted to Council on December 13th, 2021 proposed an estimated transfer of unspent Community Grant Funding from 2021 in the amount of \$17,500.

Staff have revisited this account and noted two errors in the initial calculation.

The 2021 budget included a transfer of unspent 2020 community grants in the amount of \$12,000. However, the actual unspent 2020 community grants was only \$10,792. A difference of \$1,208.

In addition, the full grant for the Ayr Theatre Group had not been recorded in the general ledger when the initial calculation of the unspent 2021 grant was being developed to support the preparation of the draft 2022 budget.

When these two items are accounted for, the available unspent grant available to be transferred to 2022 from 2021 is only \$10,000. This represents a difference of \$7,500 which is not available to support the draft 2022 Budget.

To compensate for the reduction in revenue resulting from the transfers from Reserve for unspent community grant, it is recommended that the community grant program be reduced by \$7,500 from \$40,000 to \$32,500. This change would result in no impact on the draft 2022 tax levy.

3.2 Items For Discussion That Require Council Direction For The 2022 Budget

The following items will require Council direction in the form of a Resolution to inform the draft 2022 Budget

A) Top Aggregate Producing Municipalities of Ontario (TAPMO)

Council received a letter dated November 26th, 2021 from Mayor James Seeley, Township of Puslinch, on behalf of TAPMO. Mayor Seeley is the Chair of TAPMO.

The correspondence from TAPMO was originally included in the December 13th, 2021 Council package and is included again as Attachment No. 2 to this Report for the purposes of review and consideration.

TAPMO is seeking an increase in financial contributions from the larger aggregate producing member municipalities. No details are provided in the November 26th letter as to the exact amount that is being requested from the Township or the other larger aggregate producing member municipalities. The correspondence does indicate that Puslinch has endorsed a \$5,000 payment in its 2022 operating budget.

The November 26th correspondence does not provide any specific details on a business case, or provide a Budget or any other related information as to what the additional contribution would be used to fund.

The historic base membership fee for TAPMO has been \$250. In 2021, the Township of North Dumfries paid TAPMO \$2,100 as a one-time fee to hire a Public Relations/Lobbying Firm. The goal of this contract was to obtain the services of a Firm that could provide access to key government officials and senior Government Staff in order to raise the issues concerning municipalities in regards to aggregate operations.

The draft 2022 budget as presented to Council in December 2021 includes a payment of \$2,500 to TAPMO. This funding allowance does represent an increase over the 2021 contribution.

Direction is required from Council as to the financial amount that the Municipality is willing to contribute to TAPMO in 2022.

B) Cambridge Memorial Hospital Foundation (CMHF)

At the November 22, 2021 Council meeting, a Delegation from the Cambridge Memorial Hospital Foundation made a presentation to Council seeking a commitment from Council for a donation of \$150,000 made over 5 years to CMHF to help purchase new equipment and make future capital improvements. At the conclusion of the Delegation, Council provided direction that the new funding request be considered as part of the 2022 Budget process.

In 2017, the Township of North Dumfries Council committed to \$100,000 over 5 years to support the construction of a new wing at the Hospital. The final payment of \$20,000 was made in 2021 under this previous commitment.

The current draft Budget does not include any payments to CMHF as the previous commitment has ended.

Council authorization by way of Resolution would be required to add this item to the 2022 budget as the requested donation impacts 2022 and subsequent years. The financial commitment, as requested, extends beyond the Term of Office for the current Council.

C) Transform Waterloo Region

In June 2021 Council received a Delegation from TransformWR and an associated Staff Report. Council embraced the TransformWR proposal that established targeted reductions in the emission of Green House Gas (GHG) for the 2030 and 2050 time periods. Seventy-two (72) items were identified where the Township would either lead or be a participant in programs / deliverables to achieve the targeted reduction in GHG emissions.

The four Township Chief Administrative Officers (CAOs) have met virtually on three occasions since June 2021 to discuss workload demands and internal expertise to champion the roll-out and delivery of the TransformWR initiative. Unlike the Region and the three (3) Cities, the Township's do not presently have a dedicated Corporate Division and associated staff resources focussed exclusively on the issue of sustainability, etc.

In the context of the above, the discussions amongst the Township CAOs has been assessing the merits of a shared Staff resource on a Contract term. Sustainable Waterloo Region (SWR) has agreed to oversee / coordinate the Contract employee. This shared resource would be responsible for representing the four Townships at area meetings; conduct technical briefings with Township personnel; and, frame out a priority listing / deliverables for the initial year to 18 month time period as the Municipalities implement key aspects of the TransformWR program. By accommodating the proposed shared Contract employee at SWR there is the cross-benefit of leveraging the in-house and volunteer expertise already residing at Sustainable Waterloo Region.

The draft 2022 Budget does not include the Township's share of overhead and wages associated with this proposed Contract resource position.

SWR has been attempting to secure Grants to assist in defraying the initial costs / overhead associated with this shared resource position.

At this time the other three (3) Townships have not formally committed to a shared Contract resource as they are also working their way through the 2022 Budget process. The estimated expense is highly dependent upon how many Townships participate, and, the success in securing an initial start-up Grant. The expense is forecast between \$20,000 to \$40,000 per Township dependent upon the factors attributed to participation levels and the ability to secure external funding.

Given the overall Corporate budgetary pressures and the inability to quantify the financial exposure of the shared resource, Staff believe that it is premature to commit to funding this position as part of the 2022 Budget deliberations. In the alternative, Staff would like to continue discussions with our Township counterparts and firm up a Business Plan for the consideration of Council for later in 2022. This process would then provide a more focussed potential options and opportunities for 2023 and beyond.

3.3 Other Items For Consideration

A) On-going impact of COVID-19

When the draft 2022 budget was initially created it appeared that Ontario was emerging out of COVID-19 restrictions and the economy was returning to a more normal state. The 2022 draft Budget does not include any provisions for additional lockdowns or closures.

The Province on January 3rd, 2022 announced the closure of indoor recreational facilities, including arenas, leisure / recreational programming, etc amongst other broader measures. The closure is for an initial twenty-one (21) day period lapsing on January 26th. It is unknown at this time as to whether the current COVID-19 restrictions will be extended, modified or allowed to lapse at the end of January.

The uncertainty of restrictions on Corporate business activities impacts on revenue streams for the Municipality and potentially increases certain expenditure allowances.

The draft 2022 Budget, as presented, includes the utilization of the remaining Safe Restart Funds provided by the Province of Ontario in 2020 and in 2021. The funds have been included in the draft 2022 Budget to offset the projected gap in loss of revenue experienced in recreational facilities (indoors / outdoors) based upon historic service levels; the cost of personal protection equipment (PPE) necessary for Township personnel; and, the increased cost of cleaning supplies / disinfectants and other associated impacts of COVID-19.

The estimation of the expenses / revenue loss projections in the draft 2022 Budget and the utilization of the Safe Restart Funds was based upon the experience of the Municipality in the prior six (6) months of 2021. Through the later part of 2021 certain areas of the Corporation were starting to witness a return toward pre-pandemic levels --- the draft 2022 Budget does not account for the current shutdown or an evolving opening / closing scenario throughout the year.

At this time there is no indication of any additional grants and/or financial assistance that will be provided by Senior Levels of Government to help offset impact of COVID-19.

Council in 2021 established a COVID Reserve Account in the amount of \$100,000. These funds were above and beyond any receipt of Grants provided through the Safe Restart Fund secured through the Provincial Government. The COVID Reserve Account is available to further assist with the impacts attributed to COVID-19 on the Township. These funds will be available later in 2022 or at year end to help with the unforeseen impacts from COVID-19 on the Township in 2022.

B) Supply Chain Disruptions and Inflationary Impacts

The draft 2022 Budget, as presented, includes cost increases experienced by the Township in the last quarter of fiscal 2021 where staff believe that these trends will continue into 2022.

The global economy has been impacted by disruptions in supply chains. The Township has experienced this in timing delays, limited availability and resulting increase costs when items are available. It is anticipated that the supply chain disruptions will continue into 2022.

In addition, Canada has experienced higher than normal inflation in the last half of 2021. While most economists believe that the higher level of inflation are temporary, the most recent forecasts have higher than normal inflation rates continuing into late 2022. These items have a direct impact on the Township's anticipated 2022 expenditures.

3.4 Next Steps

After the discussion of the draft 2022 Operating and Capital Budget, an updated 10-year Capital Forecast and Continuity of Reserve Funds will be provided to Council. It is anticipated that 10 Year Forecast and the Reserve Continuity will be available January 19, 2022 for circulation to Council and the Public.

This timeline will allow for any changes that may be necessary after the discussion of the draft 2022 Operating & Capital Budgets are completed. The 10 Year Capital Forecast and the Reserve Continuity will be discussed at the Special Council Meeting on January 27, 2022.

4. FINANCIAL IMPLICATIONS

The draft 2022 Budget, as presented, represents a work-in-progress. As Council reviews the document and direction is provided, the requisite revisions will be undertaken and the corresponding calculations to the Tax Levy and Tax Rate will be adjusted accordingly.

5. ATTACHMENTS

1. 2022 Draft Tax Rate Summary
2. November 26, 2021 Letter from TAPMO

For further information on the contents of this Report, please contact Christina Brox, Treasurer/Director of Corporate Services, at 519-632-8800 ext. 123 or via email at cbrox@northdumfries.ca

Report Prepared By:

Christina Brox

Christina Brox, CA, CPA
Treasurer/Director of Corporate Services

Report Prepared & Respectfully
Submitted By:



Andrew McNeely,
Chief Administrative Officer

TOWNSHIP OF NORTH DUMFRIES
2022 DRAFT Summary Tax Rate Sheet

Revised 12/13/2021

		2022 TAX LEVY % OF TAX LEVY	
2021 LEVY REQUIREMENT =	\$6,157,670	RESIDENTIAL/FARM	\$ 4,489,360 70%
2022 LEVY REQUIREMENT =	\$6,458,149	COMM/INDUST.	\$ 1,691,704 26%
Levy Increase	\$300,479	PIPELINE	\$ 277,085 4%
			\$ 6,458,149 100%

Residential - Rural Impact - TOWNSHIP PORTION ONLY

	2022	2021	2020	2019	2018	2017
Every \$100,000 in Residential Assessment	100,000	100,000	100,000	100,000	100,000	100,000
Residential Township Tax Rate	0.00257033	0.00247525	0.00247546	0.00240302	0.00234593	0.00229403
Township Taxes Annually	\$ 257.03	\$ 247.53	\$ 247.55	\$ 240.30	\$ 234.59	\$ 229.40
Average Residential Assessment for the Township of North Dumfries	372,300	372,300	372,300	372,300	372,300	372,300
Residential Township Tax Rate	0.00257033	0.00247525	0.00247546	0.00240302	0.00234593	0.00229403
Township Taxes Annually	\$ 956.93	\$ 921.54	\$ 921.61	\$ 894.65	\$ 873.39	\$ 854.07
	\$ 35.40	\$ (0.08)	\$ 26.97	\$ 21.26	\$ 19.32	\$ 25.86
	3.8%	0.0%	3.0%	2.4%	2.3%	3.1%

Residential - Urban Impact - TOWNSHIP PORTION ONLY

	2022	2021	2020	2019	2018	2017
Every \$100,000 in Residential Assessment	100,000	100,000	100,000	100,000	100,000	100,000
Residential Township Tax Rate	0.00269357	0.00260145	0.00259535	0.00252562	0.00244830	0.00239929
Township Taxes Annually	\$ 269.36	\$ 260.15	\$ 259.53	\$ 252.56	\$ 244.83	\$ 239.93
Average Residential Assessment for the Township of North Dumfries	372,300	372,300	372,300	372,300	372,300	372,300
Residential Township Tax Rate	0.00269357	0.00260145	0.00259535	0.00252562	0.00244830	0.00239929
Township Taxes Annually	\$ 1,002.81	\$ 968.52	\$ 966.25	\$ 940.29	\$ 911.50	\$ 893.26
	\$ 36.57	\$ 2.27	\$ 25.96	\$ 28.79	\$ 18.25	\$ 22.60
	3.8%	0.2%	2.8%	3.2%	2.0%	2.6%

* These average assessment are taken from the OPTA (Ontario Property Tax Assessment website) using the 2017 Tax Impact on Median/Typical Property for North Dumfries Single Family Home Property Code calculation

TAPMO

Top Aggregate Producing
Municipalities of Ontario

Mayor James Seeley, Township of Puslinch, TAPMO Chair
c/o County of Wellington, 74 Woolwich Street, Guelph, ON N1H 3T9
tapmo@wellington.ca

November 26, 2021

Hello TAPMO Members,

My name is James Seeley. I am the Mayor of Puslinch Township (County of Wellington) and was elected TAPMO Chair at the 2020 TAPMO Annual General Meeting. I would like to thank former Chair, Mayor Sue Foxtan of North Dumfries Township and Township staff for their outstanding service and dedication to TAPMO.

The TAPMO Executive committee was formed in 2019 and it has been my pleasure to be a part of it. Under Mayor Foxtan's leadership, TAPMO was able to identify significant concerns with aggregate operations, specifically the amount of tax those operations provide to the host municipalities.

The committee's work has been focused on advocating for reform on multiple components around the aggregate industry. It became clear to TAPMO that the Ontario Sand Stone and Aggregate Association had a much more audible voice with the provincial government.

TAPMO is a growing Association. The Chair's host municipality is responsible for preparing agendas and minutes, website hosting, responding to emails and scheduling meetings, in addition to their current municipal obligations. Membership fees collected are allocated to costs associated with advancing aggregate operation concerns in each and every one of our municipalities.

Recently, TAPMO received a request from members to contribute a one-time fee for the hiring of UpStream Strategy Group to facilitate meetings with MPP's and Ministers. This important advocacy work has advanced the details of our aggregate concerns to many members of the current government that our municipal staff could not easily facilitate.

As Chair, I believe that in order to build on the momentum we have created TAPMO requires the resources needed to address our concerns in a timely manner. This is not possible with our previous fee schedule and meeting schedule.

The TAPMO Executive Committee has approved a new fee schedule. While we value the membership of all aggregate producing municipalities, we are asking for a higher contribution amount from the larger aggregate producing municipalities. The Township of Puslinch is a significant producer of aggregate has recently endorsed the new fee (\$5000) within their

operating budget. I can not stress the importance for all municipalities to recognize fair taxations for all. TAPMO will continue to work towards a more appropriate allocation to aggregate operations to reduce the burden on the residential tax payer.

Looking forward, I see TAPMO lobbying the provincial government to create a specific tax class for aggregate operations. This will require outside assistance as municipal staff do not have the capacity.

The following are priority for TAPMO:

1. Eliminate self reporting for tax purposes aggregate operations
2. Create a tax class for aggregate operations (bring MPAC on board for this)
3. Work with OSSGA (Ontario Sand Stone and Gravel Association) on Licencing applications that could prevent expensive LPAT appeals

The bottom line is, rural communities that host aggregate operations subsidize assessment growth in other communities and have a detrimental effect on the host municipality.

Please encourage your Council to consider supporting the new TAPMO Membership Fee Schedule in order to help advance our goal of bringing a more balanced and equitable taxation for aggregate operations.

Sincerely,

A handwritten signature in black ink, appearing to read 'James Seeley', written over a horizontal line.

James Seeley, TAPMO Chair
Mayor, Township of Puslinch
Councillor, Wellington County

**THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES
BY-LAW NUMBER 3298-22**

BEING A BY-LAW TO CONFIRM THE PROCEEDINGS OF COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES AT THIS MEETING HELD ON THE 12th DAY OF JANUARY, 2022.

AUTHORITY: Municipal Act, 2001, S.O. 2001, c. 25, as amended, Sections 5(3) and 130.

WHEREAS the Municipal Act, 2001, S.O. 2001, c.25, as amended, Section 5(3), provides that the jurisdiction of every council is confined to the municipality that it represents and its powers shall be exercised by by-law.

WHEREAS Subsection 9 of the Municipal Act, 2001 provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS the Municipal Act, 2001, S.O. 2001, c.25, as amended, Section 130 provides that every council may pass such by-laws and make such regulations for the health, safety and well-being of the inhabitants of the municipality in matters not specifically provided for by this Act and for governing the conduct of its members as may be deemed expedient and are not contrary to law.

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES ENACTS AS FOLLOWS:

1. That the action of the Council at its Council Meeting held on January 12, 2022 in respect to each report, motion, resolution or other action passed and taken by the Council at its meeting, is hereby adopted, ratified and confirmed, as if each resolution or other action was adopted, ratified and confirmed by separate by-law.
2. That the Mayor and the proper officers of the Township are hereby authorized and directed to do all things necessary to give effect to the said action, or to obtain approvals where required, and, except where otherwise provided, the Mayor and the Clerk are hereby directed to execute all documents necessary in that behalf and to affix the corporate seal of the Township to all such documents.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 12th DAY OF JANUARY, 2022.

Susan Foxtton, Mayor

Ashley Sage, Clerk