

**THE CORPORATION OF THE TOWNSHIP OF ESSA
SPECIAL MEETING - BUDGET MEETING**

**WEDNESDAY, FEBRUARY 15, 2023
1:00 p.m.**

AGENDA

- 1. OPENING OF MEETING BY THE MAYOR**
- 2. DISCLOSURE OF PECUNIARY INTEREST**
- 3. DELEGATIONS / PRESENTATIONS**

STAFF REPORTS AND MEMORANDUMS

4. TREASURY

- p. 1 **a. Staff Report TR001-23 submitted by the Manager of Finance, re: Carry Forward Reserve.**

Recommendation: *Be it resolved that Staff Report TR001-23 be received and that up to \$236,000.00 be transferred to the Carry Forward Reserve as part of the 2022 year end; and
Further that the opening 2022 balance of \$47,738.00 in the Carry Forward Reserve be transferred to the Asset Management Reserve as part of the 2022 year end.*

- p. 3 **b. Staff Report TR002-23 submitted by the Manager of Finance, re: Long Term Financial Plan.**

Recommendation: *Be it resolved that Staff Report TR002-23 be received; and
That Further that the Township begin the process of developing a long term Financial Plan and defer any capital projects other than those required for emergency reasons that are not fully funded until a long term Financial Plan is completed.*

CONSIDERATION OF ITEMS REQUIRING DISCUSSION AND GENERAL NATURE THEROF:

5. CLOSED SESSION

Recommendation: *Be it resolved that Council proceed to a Closed Session in order to address matters pertaining to:*

- ✓ *personal matters about an identifiable individual, including Municipal or local board employees [s. 239(2)(b)];*
- ✓ *labour relations or employee negotiations [s. 239(2)(d)].*

[Council proceeds into Closed Session Deliberations. This portion of the meeting is not open to the public.]

Following Closed Session Deliberations, Council rises and reports in the public forum.

Motion to Rise and Report from Closed Session Meeting of February 15, 2023.

Recommendation: *Be it resolved that Council rise and report from the Closed Session Meeting at _____ p.m.*

6. CONFIRMATION BY-LAW

p. **By-law 2023-08**

Recommendation: *Be it resolved that leave be granted to introduce By-law 2023-08, that being a By-law to confirm the proceedings of the Special Meeting of Council held on this 15th day of February, 2023; and that said By-law be read a first, and taken as read a second and third time and finally passed.*

7. ADJOURNMENT

Recommendation: *Be it resolved that this Special Meeting of the Council of the Township of Essa adjourn at _____ p.m.*



TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: TR001-23

DATE: February 15, 2023

TO: Committee of the Whole

FROM: Deborah Dollmaier, Manager of Finance

SUBJECT: Carry Forward Reserve

RECOMMENDATION

That Staff Report TR001-23 be received and that up to \$ 236,000 be transferred to the Carry Forward Reserve as part of the 2022 year end; and

Further that the opening 2022 balance of \$47,738 in the Carry Forward Reserve be transferred to the Asset Management Reserve as part of the 2022 year end.

BACKGROUND

Due to staff timing, cost estimates received during the tendering process and the impact of the pandemic have led to some of the capital budget projects that were budgeted for in 2022 having to be deferred until 2023. Within the 2022 budget it is noted that part of the funding for the following projects were to be taken from taxation dollars. In an effort to utilize the taxation dollars created in 2022 for the projects they were intended for, staff are requesting to move the dollars to the 2023 budget by allocating \$ 236,000 to the Carry Forward Reserve within the 2022 year end.

COMMENTS AND CONSIDERATIONS

The 2022 budgeted projects and the estimated taxation dollars that were to be used for those projects are as follows:

1. Fire Department Record Management Replacement project \$ 20,000;
2. Roads Garage Expansion project \$ 186,000;
3. Transportation Master Plan \$ 26,000;
4. Trails Master Plan \$ 4,000.

A total of \$236,000 (subject to 2022 year end completion) is anticipated to be moved to the Carry Forward Reserve Account to be used as part of the 2023 budget exercise. With the addition of the \$236,000, the Carry Forward Reserve will reflect a balance of \$283,738. The starting Carry Forward Reserve balance of \$47,738 should be transferred to the Asset

4a

Management Reserve. The opening balance has been established as a result of budget actuals being lower than the reserve amount set up in previous years.

FINANCIAL IMPACT

By using the Carry Forward Reserve, the unused capital funding derived from 2022 taxation dollars can be brought to the 2023 budget to be used to offset those capital projects that are anticipated to occur in 2023. Should these funds not be transferred within the 2022 year end, they would form part of the townships overall 2022 surplus/deficit position. In addition the additional \$47,738 being recommended to be transferred to the Asset Management Reserve account will clean up the Carry Forward Reserve Account and will provide additional funding for Asset Management projects in the future.

SUMMARY/OPTIONS

Council may:

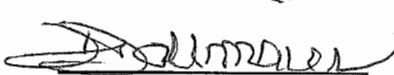
1. Take no further action.
2. Receive the report and transfer up to \$236,000 to the Carry Forward Reserve as part of the 2022 year end to be utilized within the 2023 budget. In addition, transfer the opening 2022 balance within the Carry Forward Reserve to the Asset Management Reserve in the amount of \$47,738 as part of the 2022 year end to help offset future capital projects.
3. Direction as provided by Council.


CONCLUSION

Option #2 is recommended.

Respectfully submitted:

Reviewed by:


Deborah Dollmaier
Manager of Finance


Colleen Healey-Dowdall CAO



TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: TR002-23

DATE: February 15, 2023

TO: Committee of the Whole

FROM: Deborah Dollmaier, Manager of Finance

SUBJECT: Long Term Financial Plan

RECOMMENDATION

That Staff Report TR002-23 be received; and

Further that the Township begin the process of developing a long term Financial Plan and defer any capital projects other than those required for emergency reasons that are not fully funded until a long term Financial Plan is completed.

BACKGROUND

As part of the 2021 budget, land was purchased as a potential site for a future fire hall in Angus. In the 2022 municipal budget expenditures of \$68,841 was incurred with respect to clearing the property for a new fire hall. At this point a total of \$169,076 has been incurred to date. The next step is for plans to be created for the new hall and these costs are estimated as part of the 2023 budget. Depending on plan designs the project could be anywhere from \$4 million to \$10 million which would be determined when a tender process is undertaken. It is anticipated that 70% of the costs of the new fire hall will be paid for from the Township's DCA fund. Should the cost estimate rise to the \$ 10 million area, the tax related impact will be \$ 3 million. As no specific reserves for the non Development Charge costs have been established to date for this project, the unfunded amount will result in either a taxation increase, and or drawing on Reserves and or debentures being issued with annual payments over a period of years.

As the Township is now facing the implementation of an asset management plan, it is a prudent time to reflect on not only the projected fire hall costs but those of other departments including projects such as but not limited to bridges. It is noted that staff continue to apply for grants, however, there is no certainty of successful applications. As part of the last updated Bridges and Culvert Report, it was recommended that an annual amount of \$1.2 million should be added to our annual budget to offset bridge works over the next ten years. Within the proposed 2023 Budget an amount of \$120,000 has been included to address bridge/culvert needs. At this point and time a plan containing timelines of other capital projects has not been established.

A 5 (at a minimum) or 10 year capital plan would help establish not only the timing as to when capital projects would be undertaken but also how they would be financed and the respective estimated impact on taxation rates. This would allow the Township to consider all projects and

establish their priority. Should debentures be required, this would certainly impact future budgets for a determined period of time.

It may be wise at this time, to postpone any capital projects that are not fully funded through annual taxation levels, reserve balances and/or other sources of funding until a long term plan is created.

COMMENTS AND CONSIDERATIONS

Without a long term financial plan, capital projects will proceed and if not fully funded could possibly require the issuance of long term debt. The creation of a long term plan will allow the council of the day to make informed decisions with respect to project commencement. The Township has completed the Asset Management Plan, Servicing Plan for Angus and has commenced a Master Transportation and Trail Plan Study as well a new Development Charge Study. In combination of these studies the future projects and their timing have and will become apparent should a long term financial plan be completed. Without a long term plan the Township will move from project to project without consideration of the financial impact and timing.

It may be in the best interests of the Township to defer any capital projects that are not fully funded or required due to an emergency nature to be held in abeyance pending the completion of a long term financial plan.

FINANCIAL IMPACT

As an example should the net impact of the fire hall be in the \$ 3 million area, an annual repayment based on a 25 year repayment including a 5% interest rate will be approximately \$212,000 a year. By creating a long term plan it will allow the Council of the day the opportunity to create their capital priorities and establish taxation levels for those projects for the benefit of the township.

SUMMARY/OPTIONS

Council may:

1. Receive the report for information.
2. **Begin the process of developing a long term financial plan and defer any capital projects other than those required for emergency reasons that are not fully funded until the long term financial plan is completed.**
3. Direct staff in another manner as deemed appropriate by Council.

CONCLUSION

Option #2 is recommended.

Respectfully submitted:


Deborah Dolmaier
Manager of Finance

Reviewed by:


Colleen Healey-Dowdall CAO

THE CORPORATION OF THE TOWNSHIP OF ESSA

BY-LAW 2023-08

Being a By-law to confirm the proceedings of the Special Meeting of Council held on the 15th day of February, 2023.

THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF ESSA
HEREBY ENACTS AS FOLLOWS:

THAT the action of the Council at its Special Meeting held on the 15th day of February, 2023, and, in respect of each motion, resolution and other action passed and taken by Council at the said meeting, is, except where prior approval of the Ontario Municipal Board is required, hereby adopted, ratified and confirmed.

THAT the Mayor and the proper officials of the Township of Essa are hereby authorized and directed to do all things necessary to give effect to the said actions or to obtain approvals where required, and to execute all documents as may be necessary in that behalf and the Clerk is hereby authorized and directed to affix the Corporate Seal to all such documents.

READ A FIRST, AND TAKEN AS READ A SECOND AND THIRD TIME AND
FINALLY PASSED on this the 15th day of February, 2023.

Sandie Macdonald, Mayor

Lisa Lehr, Manager of Legislative Services