

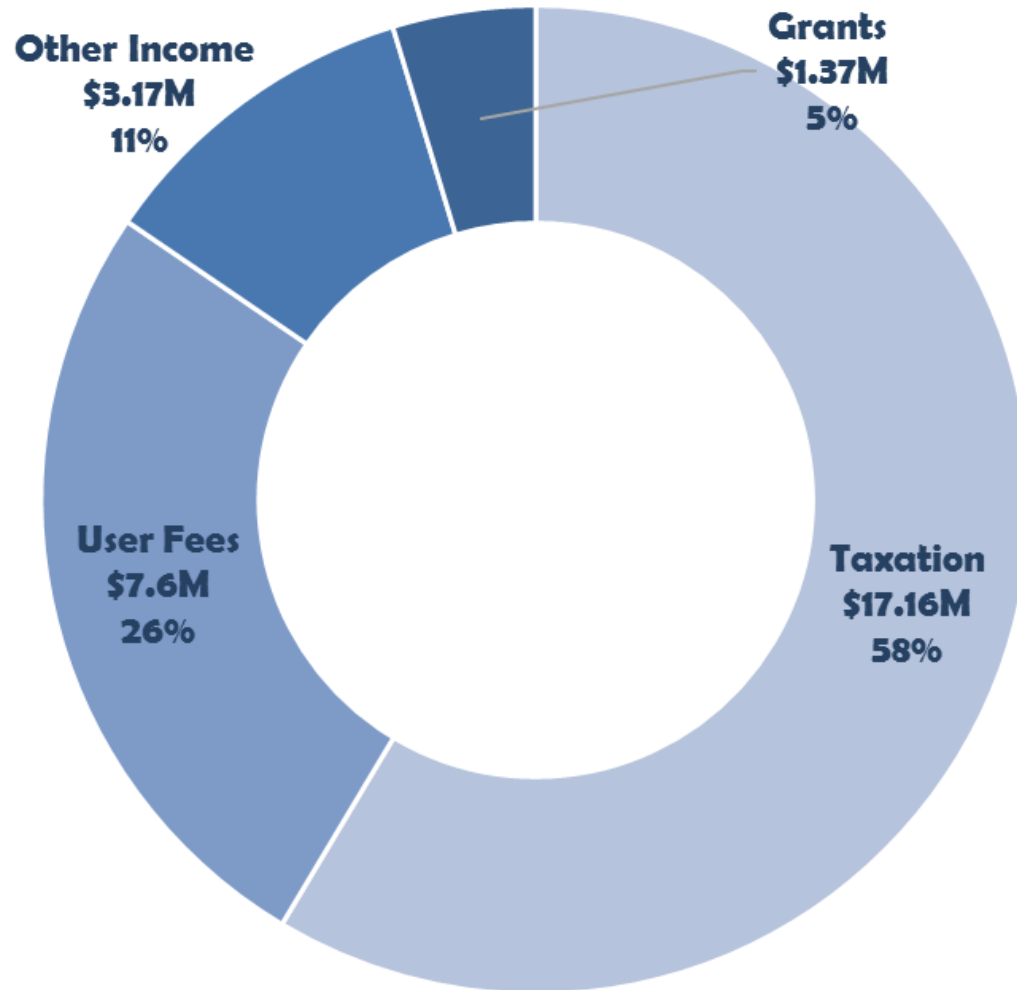


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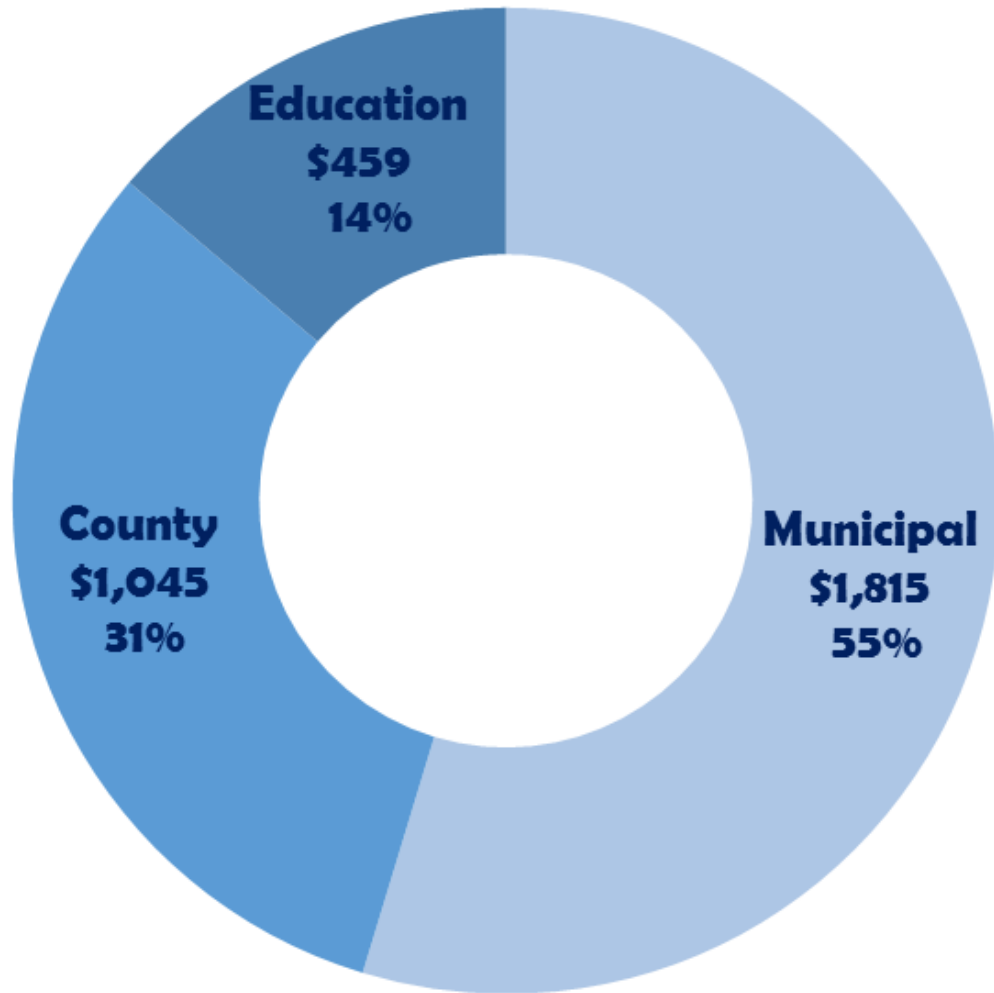


2019 DRAFT BUDGET



Revenue

- Revenue of \$29.39 million is required in 2019 to fund operating expenses
- 58% from property taxation
- 26% from user fees, licences & permits
- 11% from other income, including rent & dividends
- 5% from grants



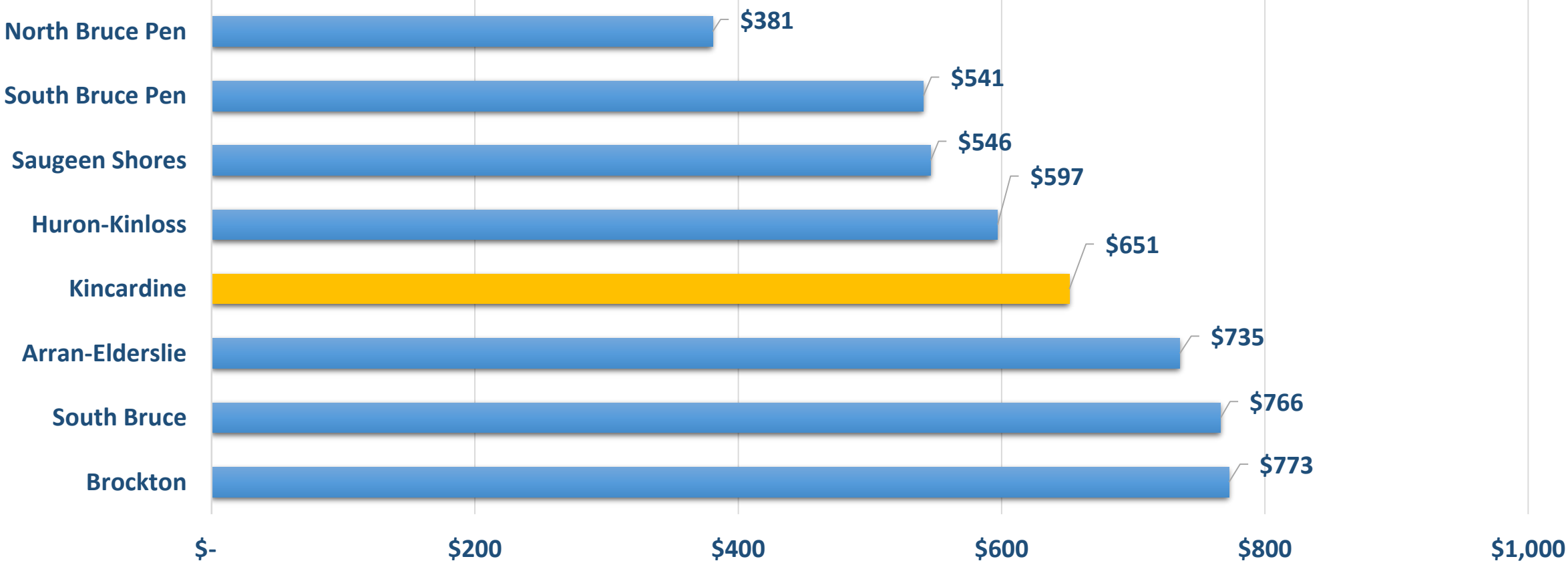
Property Tax Allocation

The draft 2019 budget has the average homeowner paying \$3,319 in total property taxes:

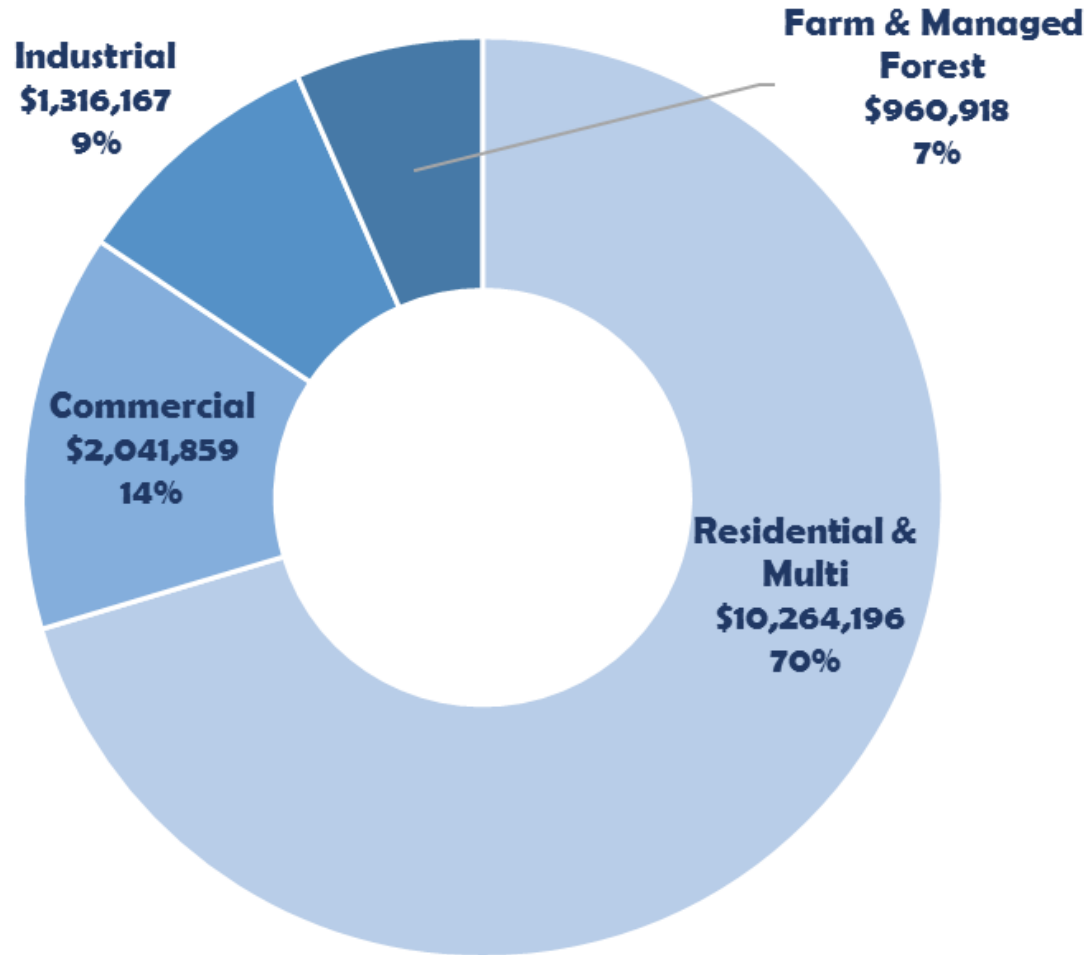
- Municipal = \$1,815
- County = \$1,045
- School = \$459

Based on average residential assessment of \$270,000

2018 Municipal Taxes per \$100,000 CVA in Bruce County



2019 Property Tax Revenue Breakdown - \$14.583 million



Property Taxes

- Chart illustrates the property tax revenue by classification

Key Figures:

1% increase = \$140,000 in added taxation revenue

1% increase = \$17.50 per year for the average residential household*

* average residential household assessed at \$270,000

2019 Estimates & Assumptions

- Water and wastewater are included in the budget and operate based on a full-cost recovery model (no tax rate impact)
- Building department budget is assumed to be self-sustaining, with budget shortfalls or overages funded from the Obligatory Building Permit RF
- User fees have been adjusted for inflation, in accordance with the 2019 Consolidated Rates & Fees By-law
- Contributions to fund infrastructure have increased by \$420,000 (~ 3% tax rate increase) to address the deficit. The total contribution to the Lifecycle Reserve Fund has been budgeted at \$2.88 million, up from \$2.46 million over 2018
- 50% of the Bruce Telecom dividend has been included in the operating budget to fund special projects, with the remaining 50% allocated to capital

2019 Positive Budgetary Impacts

- New assessment of \$452,000 (5.1%) – includes growth of \$209,000
- Solid waste revenues budgeted to increase by \$122,500 (19%)
 - Increase in projected bag tag sales of \$25,000
 - Increase in landfill tipping fee revenues of \$75,000
- Budgeted revenues at the Davidson Centre for arena, gym & room rentals, and health club memberships projected to increase by \$21,000 (3%)
- Projected increase in building permit revenues of \$30,000 (14%)
- OPG LLW hosting payment estimated at \$450,000

Cost Increases

Total Operating Expenses increased by \$796,000 (3.66%) over 2018:

- Wages/benefits increase of \$359,000 (3.8%)
- Strategic Plan (\$40,000) and EcDev Strategic Plan (\$35,000)
- Council onboarding costs (additional training/conferences) of \$34,000
- Fleet maintenance costs have increased by \$90,000 – includes \$50,000 allocated to a reserve fund for future fleet management
- \$20K grant for the 2019 Tiverton Reunion
- Policing cost increase of \$71,000 (3%)
- Airport Management Contract – estimated increase of \$45,000
- Increase in estimated propane costs of \$34,000 (16%) over 2018



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Departmental Budgets

COUNCIL 2019 OBJECTIVES

- 1) New Council orientation & team building
- 2) Assist in the development of the Corporate Strategic Plan
- 3) Provide strategic leadership regarding economic development initiatives
- 4) Continue to advance the ongoing initiative of bringing natural gas to the community
- 5) Finalize Official Plan review
- 6) Continued support for the physician recruitment and retention program as well as lobbying for local health care needs including our Kincardine hospital
- 7) Support the local boards of education, local unions and businesses in initiatives to enhance tech and trades programming in Kincardine and area schools, including post-secondary. This includes continuing to lobby the Ontario government for both secondary and post-secondary training opportunities
- 8) Monitor the status of the OPG's Deep Geologic Repository initiative

COUNCIL BUDGET SUMMARY

	2018 Budget	2019 Draft Budget	Budget Change
Revenue			
Mayor	\$ -	\$ -	\$ -
Mayor and Council	\$ -	\$ -	\$ -
Physician	\$ 17,159	\$ 17,000	\$ (159)
Total Revenue	\$ 17,159	\$ 17,000	\$ (159)
Expense			
Mayor	\$ -	\$ -	\$ -
Mayor and Council	\$ 281,416	\$ 337,019	\$ 55,603
Physician	\$ 160,600	\$ 145,704	\$ (14,896)
Total Expense	\$ 442,016	\$ 482,723	\$ 40,707
Net Difference	\$ (424,857)	\$ (465,723)	\$ (40,866)

CAO 2019 OBJECTIVES

Administration, Human Resources and Communication

- 1) Continue to assist and support Mayor and Council through orientation, team building and training.
- 2) Work with senior leadership team to promote fiscal stability through budget analysis, development of capital and asset management plans, infrastructure condition assessment and cost recovery strategies for growth related infrastructure.
- 3) Provide for staff professional development with a focus on succession planning and skills development to support the advancement of technology, and process improvement.
- 4) Build internal capacity to advance Information Technology and Geographical Information Systems.
- 5) Initiate and participate in a Corporate and Economic Development Strategic Planning process via a Request for Proposals to obtain a consultant/facilitator.
- 6) Continue to analyze organizational effectiveness, including a review of the organizational structure to ensure the municipality is positioned to meet the future needs of a growing community.
- 7) Review the Tripartite Agreement in preparation for the renegotiation process by the end of 2019.

CAO 2019 OBJECTIVES

Economic Development

- 1) Continue support of the Nuclear Economic Development and Innovation Initiative, working with Bruce Power and Bruce County to locate nuclear supply chain businesses in the Municipality of Kincardine
- 2) Continue to support growth related infrastructure projects to service new employment lands
- 3) Work to attract a diverse mix of housing development, including affordable housing, to meet the diverse needs of the community
- 4) Continued assistance and support for the Natural Gas initiative as we move forward to construct the system
- 5) Focus on business development and retention, nuclear supply chain development and support and residential growth and retention

Other

- 1) Manage the Municipality's involvement in the deep geologic repository project, including the development of a working group for the Centre of Energy Excellence
- 2) Continue to support the Physician Recruitment Plan and review incentive packages

CAO BUDGET SUMMARY

	2018 Budget	2019 Draft Budget	Budget Change
Revenue			
CAO	\$ -	\$ -	\$ -
Human Resources	\$ -	\$ -	\$ -
BIA	\$ 70,200	\$ 72,300	\$ 2,100
Subtotal	\$ 70,200	\$ 72,300	\$ 2,100
Economic Development	\$ -	\$ -	\$ -
Total Revenue	\$ 70,200	\$ 72,300	\$ 2,100
Expense			
CAO	\$ 235,809	\$ 295,631	\$ 59,822
Human Resources	\$ 131,214	\$ 157,288	\$ 26,074
BIA	\$ 70,200	\$ 72,300	\$ 2,100
Subtotal	\$ 437,223	\$ 525,219	\$ 87,996
Economic Development	\$ 111,123	\$ 240,835	\$ 129,712
Total Expenses	\$ 548,346	\$ 766,054	\$ 217,708
Net Difference	\$ (478,146)	\$ (693,754)	\$ (215,608)

CLERK 2019 OBJECTIVES

- 1) Complete municipal website redevelopment
- 2) Expand use of electronic means in records management and agenda management
- 3) Increase use of features on new website (i.e. fillable forms, etc.) to ensure optimization of its capabilities
- 4) Undertake study for Heritage Conservation District for Princes St and Queen St
- 5) Strengthen tourism messaging through development of additional promotional videos
- 6) Heighten awareness of Arts, Culture and Heritage through implementation of the municipal plan
- 7) Continue to promote awareness and growth of Kincardine Community Fund

CLERK BUDGET SUMMARY

	2018 Budget	2019 Draft Budget	Budget Change
Revenue			
Clerk	\$ 74,546	\$ 18,770	\$ (55,776)
Grants to Organizations	\$ 500	\$ 500	\$ -
Subtotal	\$ 75,046	\$ 19,270	\$ (55,776)
Tourism	\$ 38,400	\$ 28,900	\$ (9,500)
Total Revenue	\$ 113,446	\$ 48,170	\$ (65,276)
Expense			
Clerk	\$ 457,356	\$ 491,092	\$ 33,736
Grants to Organizations	\$ 70,000	\$ 85,000	\$ 15,000
Subtotal	\$ 527,356	\$ 576,092	\$ 48,736
Tourism	\$ 316,363	\$ 323,177	\$ 6,814
Total Expense	\$ 843,719	\$ 899,269	\$ 55,550
Net Difference	\$ (730,273)	\$ (851,099)	\$ (120,826)

TREASURY 2019 OBJECTIVES

- 1) Form a working group to lead the implementation of the Asset Management Plan in order to ensure compliance with Ontario Regulation 588/17
- 2) Implement budgeting software to improve the overall budget development process, including workflow, multi-year budgets, tracking, and data modeling.
- 3) Implement electronic time and attendance software that will incorporate workflow approvals, eliminate hardcopy records, and is compatible with the existing payroll and accounting systems.
- 4) Review existing practices and processes within the Treasury department to identify process improvements in accordance with LEAN.
- 5) Continue to emphasize the importance of a dedicated infrastructure levy through the annual budget process, with a target annual increase of 3%.

TREASURY BUDGET SUMMARY

Department	2018 Budget	2019 Draft Budget	Budget Change
Revenue			
Treasury	\$ 126,000	\$ 140,000	\$ 14,000
General Government	\$ 2,587,600	\$ 2,603,500	\$ 15,900
Total Revenue	\$ 2,713,600	\$ 2,743,500	\$ 29,900
Expense			
Treasury	\$ 786,117	\$ 809,050	\$ 22,933
General Government	\$ 1,400,015	\$ 1,153,512	\$ (246,503)
Total Expense	\$ 2,186,132	\$ 1,962,562	\$ (223,570)
Net Difference	\$ 527,468	\$ 780,938	\$ 253,470

FIRE & EMERGENCY 2019 OBJECTIVES

Fire Rescue

- 1) Continue with the build of the new Tanker-Pumper for Tiverton Fire Station
- 2) Replace the administrative van
- 3) Continue to develop the Fire Department training grounds
- 4) Maintain all apparatus in good condition and a ready state
- 5) Work with the Deputy Chiefs to further promote health and safety through the implementation of programs for mental health awareness and firefighter personal protection
- 6) Future projects include replacement of the aerial truck and the Tiverton Fire Station

FIRE & EMERGENCY 2019 OBJECTIVES

Emergency Management

- 1) Develop a plan to re-locate Emergency Operation Centre
- 2) Ensure the annual requirements of the Emergency Management Act are achieved
- 3) Review and revise the Kincardine Emergency Plan
- 4) Continue to build relationships with our emergency management partners

Health & Safety

- 1) Continue with implementation of changing our Safety Data Sheets from hard copy to an electronic format
- 2) Work with the Joint Health and Safety Committee for continuous improvements, training and best practices in worker safety

FIRE & EMERGENCY BUDGET SUMMARY

	2018 Budget	2019 Draft Budget	Budget Change
Revenue			
Kincardine/Tiverton Fire	\$ 17,800	\$ 17,800	\$ -
Mysis	\$ 3,000	\$ 3,000	\$ -
Health & Safety	\$ -	\$ -	\$ -
CEMC	\$ 259,600	\$ 150,100	\$ (109,500)
Total Revenue	\$ 280,400	\$ 170,900	\$ (109,500)
Expense			
Kincardine/Tiverton Fire	\$ 1,013,153	\$ 1,039,349	\$ 26,196
Mysis	\$ 11,025	\$ 10,625	\$ (400)
Health & Safety	\$ 13,575	\$ 27,375	\$ 13,800
CEMC	\$ 307,232	\$ 191,935	\$ (115,297)
Total Expense	\$ 1,344,985	\$ 1,269,283	\$ (75,702)
Net Difference	\$ (1,064,585)	\$ (1,098,383)	\$ (33,798)

PUBLIC WORKS 2019 OBJECTIVES

- 1) Implement the Work Management system throughout all areas of the department; providing a consistent approach for staff and residents
- 2) Review various department permits and processes to identify improvements
- 3) Review existing practices and processes within the Public Works department to identify process improvements in accordance with LEAN
- 4) Continue to assess recommendations of the BMROSS Public Works report for short and long-term implementation
- 5) Continue to manage existing and new assets with an overall lifecycle management approach
- 6) Continue with support of development proposals and infrastructure upgrades

PUBLIC WORKS BUDGET SUMMARY

	2018 Budget	2019 Draft Budget	Budget Change
Revenue			
Roads & Bridges	\$ 48,201	\$ 45,701	\$ (2,500)
Mechanics & Vehicles	\$ 18,000	\$ 20,000	\$ 2,000
Municipal Drains	\$ 30,741	\$ 32,917	\$ 2,176
Airport	\$ 70,400	\$ 80,000	\$ 9,600
Solid Waste	\$ 655,250	\$ 777,750	\$ 122,500
Other Public Works Dept	\$ 156,900	\$ 142,350	\$ (14,550)
Subtotal	\$ 979,492	\$ 1,098,718	\$ 119,226
Water and Sewer	\$ 4,850,282	\$ 5,490,070	\$ 639,788
Total Revenue	\$ 5,829,774	\$ 6,588,788	\$ 759,014
Expense			
Roads & Bridges	\$ 2,856,478	\$ 2,965,312	\$ 108,834
Mechanics & Vehicles	\$ 760,484	\$ 850,711	\$ 90,227
Municipal Drains	\$ 45,528	\$ 67,241	\$ 21,713
Airport	\$ 237,623	\$ 302,853	\$ 65,230
Solid Waste	\$ 1,423,305	\$ 1,471,923	\$ 48,618
Other Public Works Dept	\$ 772,949	\$ 803,126	\$ 30,177
Subtotal	\$ 6,096,367	\$ 6,461,165	\$ 364,798
Water and Sewer	\$ 4,850,282	\$ 5,490,070	\$ 639,788
Total Expense	\$ 10,946,649	\$ 11,951,235	\$ 1,004,586
Net Difference	\$ (5,116,875)	\$ (5,362,447)	\$ (245,572)

PARKS & RECREATION 2019 OBJECTIVES

- 1) Implement new recreation program software
- 2) Municipal staff continue operating the Tiverton Sports Centre on year-round basis
- 3) Award Grass Cutting Contract in 2019 for various properties throughout the municipality
- 4) Complete pool feasibility study to determine options for improving/expanding existing pool
- 5) Convert Davidson Centre refrigeration system to ammonia by end of 2020
- 6) Construction of washroom buildings for Soccer Fields and Dunsmoor Park
- 7) Continuation of beach safety, maintenance and phragmites programs
- 8) Replace the roof at the Kincardine Centre for the Arts

PARKS & RECREATION BUDGET SUMMARY

	2018 Budget	2019 Draft Budget	Budget Change
Revenue			
Facilities	\$ 762,800	\$ 784,650	\$ 21,850
Recreation	\$ 421,700	\$ 422,000	\$ 300
Parks	\$ 49,917	\$ 64,970	\$ 15,053
Marina	\$ 327,610	\$ 327,610	\$ -
Total Revenue	\$ 1,562,027	\$ 1,599,230	\$ 37,203
Expense			
Facilities	\$ 2,407,301	\$ 2,399,254	\$ (8,047)
Recreation	\$ 711,880	\$ 719,461	\$ 7,581
Parks	\$ 736,963	\$ 779,390	\$ 42,427
Marina	\$ 327,609	\$ 327,610	\$ 1
Total Expense	\$ 4,183,753	\$ 4,225,716	\$ 41,963
Net Difference	\$ (2,621,726)	\$ (2,626,486)	\$ (4,760)

BUILDING & PLANNING 2019 OBJECTIVES

- 1) Complete the 5-year review of the Official Plan to be consistent with the Provincial Policy Statement, including an amendment to the Official Plan with regards to the Significant Woodlands
- 2) Implementing a mobile GIS system for Building & Planning Department
- 3) Update and consolidate by-laws such as Traffic and Parking, Site Plan Control, Property Standards, etc.
- 4) Digitize files and transition to electronic filing system
- 5) Lighthouse Restoration Project Phase II

BUILDING & PLANNING BUDGET SUMMARY

	2018 Budget	2019 Draft Budget	Budget Change
Revenue			
Building & Planning	\$ 487,461	\$ 430,682	\$ (56,779)
Municipal Buildings	\$ 519,597	\$ 467,563	\$ (52,034)
Other Building & Planning	\$ 43,042	\$ 37,561	\$ (5,481)
Total Revenue	\$ 1,050,100	\$ 935,805	\$ (114,295)
Expense			
Building & Planning	\$ 651,107	\$ 656,880	\$ 5,773
Municipal Buildings	\$ 1,474,382	\$ 1,370,403	\$ (103,979)
Other Building & Planning	\$ 652,588	\$ 647,290	\$ (5,298)
Total Expense	\$ 2,778,077	\$ 2,674,574	\$ (103,503)
Net Difference	\$ (1,727,977)	\$ (1,738,768)	\$ (10,791)

The following reserve fund contributions have been included in the budget:

\$2,880,000 towards asset management and the Lifecycle Reserve Fund

\$1,500,000 towards municipal water reserve funds

\$1,310,000 towards the municipal sewer reserve fund

\$ 100,000 towards the KWMC landfill cell replacement

\$ 50,000 towards the refrigeration system for the Davidson Centre

\$ 50,000 towards a fleet replacement program

\$ 15,000 towards the Election Reserve for the 2022 municipal election



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An overall tax rate increase of 3.2% will be required in 2019 in order to continue to maintain the existing service levels in the Municipality



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Estimated 2019 Tax Levy Change \$270,000 Residence

	2019 Levy	2018 Levy	\$ Change	% Change
Kincardine	\$ 1,815	\$ 1,759	\$ 56	3.20%
Bruce County	\$ 1,045	\$ 1,045	\$ -	0%
School Boards	\$ 459	\$ 459	\$ -	0%
Total	\$ 3,319	\$ 3,263	\$ 56	1.73%



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Draft 2019 Capital Budget:

Staff has developed the draft capital budget based on an assessment of the community's highest priority needs which considers:

- a) Financial affordability
- b) Probability of asset failure if a project is not undertaken
- c) Cost of deferring projects



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The Capital Budget includes the following notable projects:

- \$4,265,000 – 9/21 Business Park servicing initial phase
- \$1,320,000 – Water tower upgrades (BEC, Tiverton, Kincardine)
- \$1,275,000 – Rural paving projects
- \$ 965,000 – KWMC Stage 2 Cell expansion
- \$ 755,000 – Reconstruction of Conc. 5, including storm sewer
- \$ 620,000 – Fleet replacement
- \$ 415,000 – Structural upgrades for culverts/bridges
- \$ 407,000 – Roof replacement, including Arts Centre
- \$ 400,000 – Replacement of Fire Tanker truck

The total cost of 49 high priority projects amounts to \$12.7 million, of which:

- \$6.738 million funded through reserve funds
- \$3.815 million funded by external debt, and recovered from future development charges
- \$1.28 million funded from other contributions (OPG hosting payment, Armow Wind payment)
- \$933K would be funded through grants (Gas Tax, OCIF)

Due to limited financial resources, there are also 29 high priority projects totaling \$8.585 million that must be deferred due to limited financial resources.



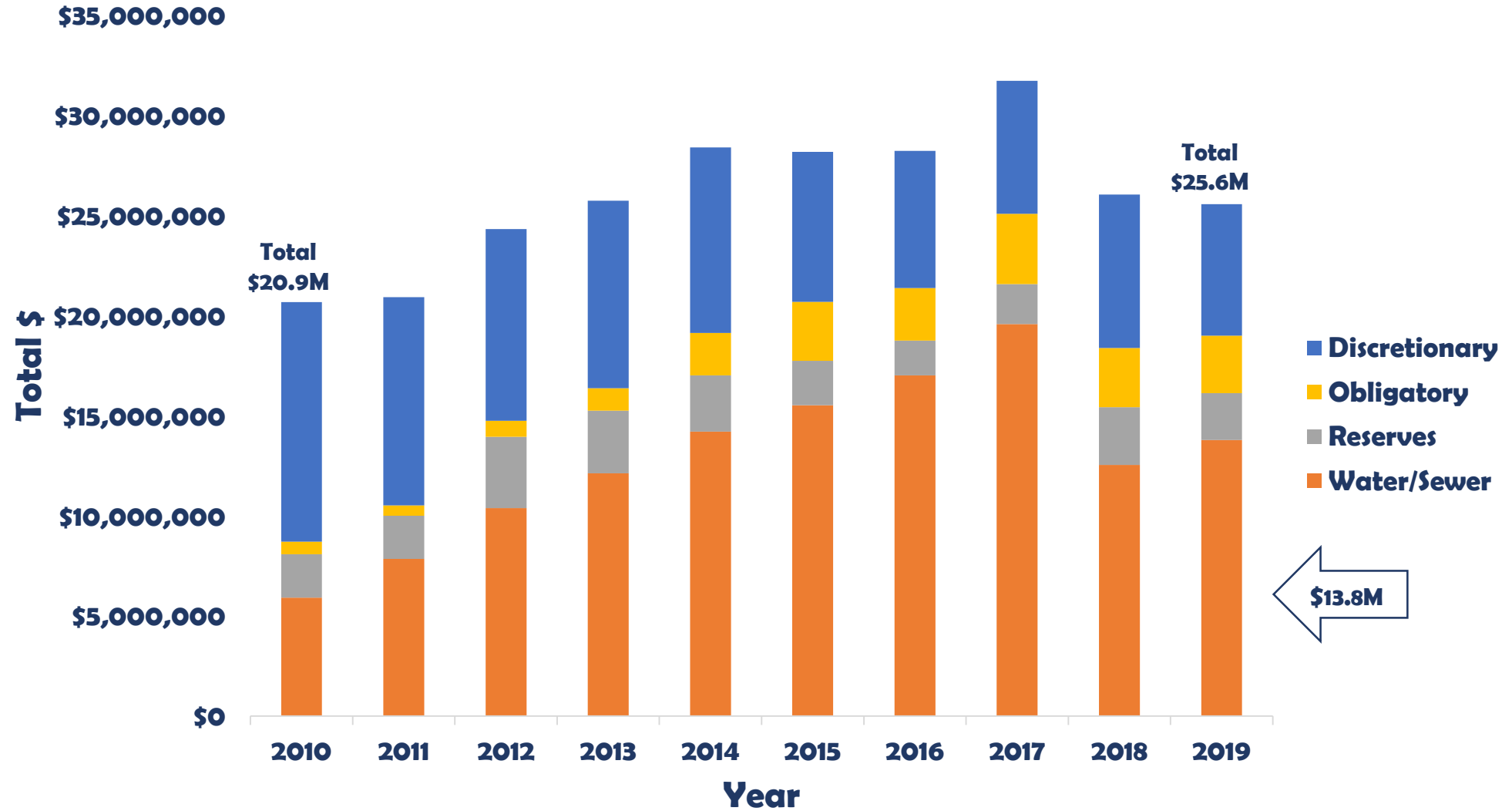
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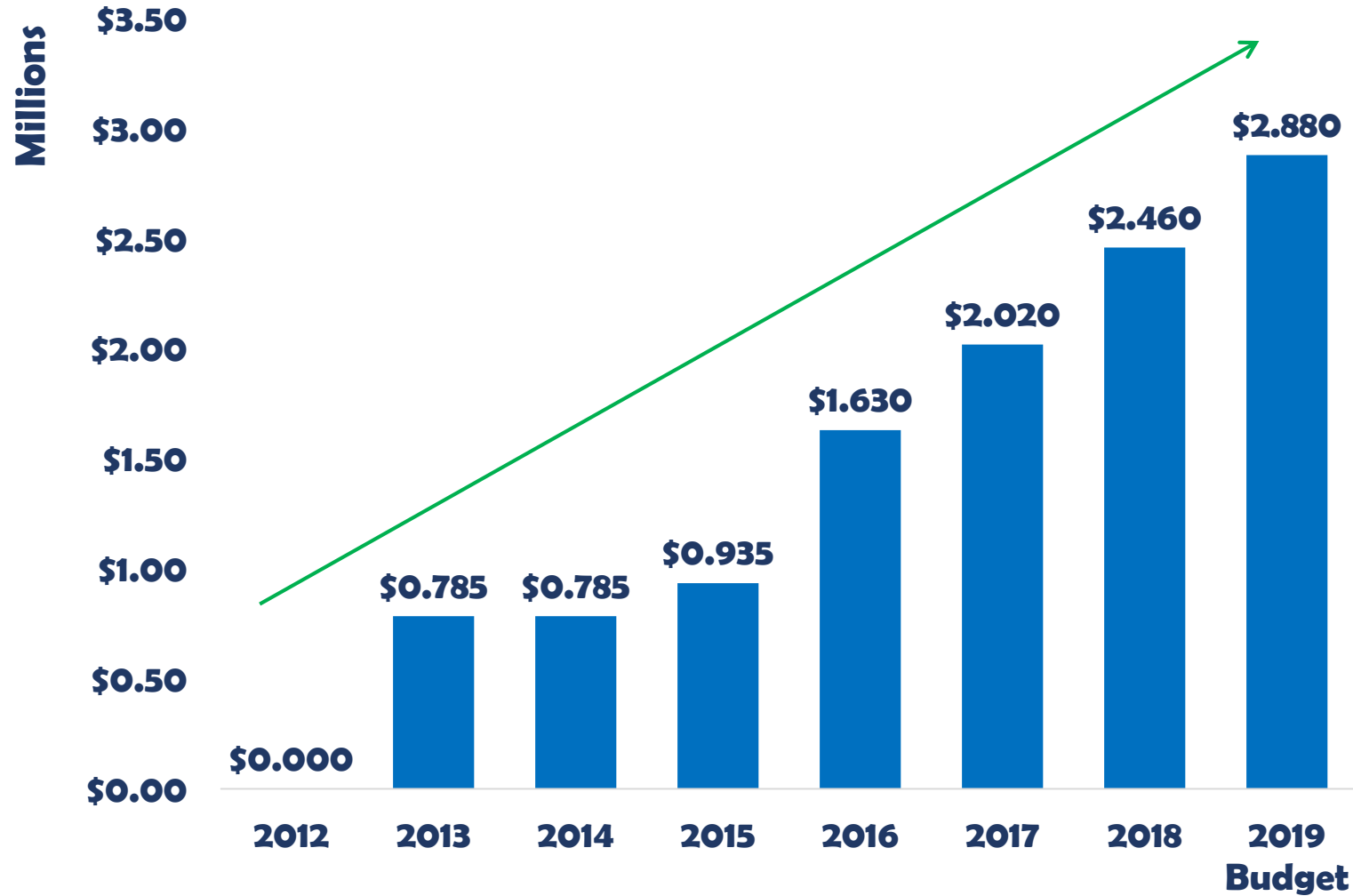
The draft capital budget includes a withdrawal from the Lifecycle Reserve Fund in the amount of **\$3,229,000** leaving a net withdrawal of **\$349,000**.

This results in an overall balance of available funds of **\$2,364,000** available to be used in 2020 and beyond.

Reserve & Reserve Fund Balance Trend

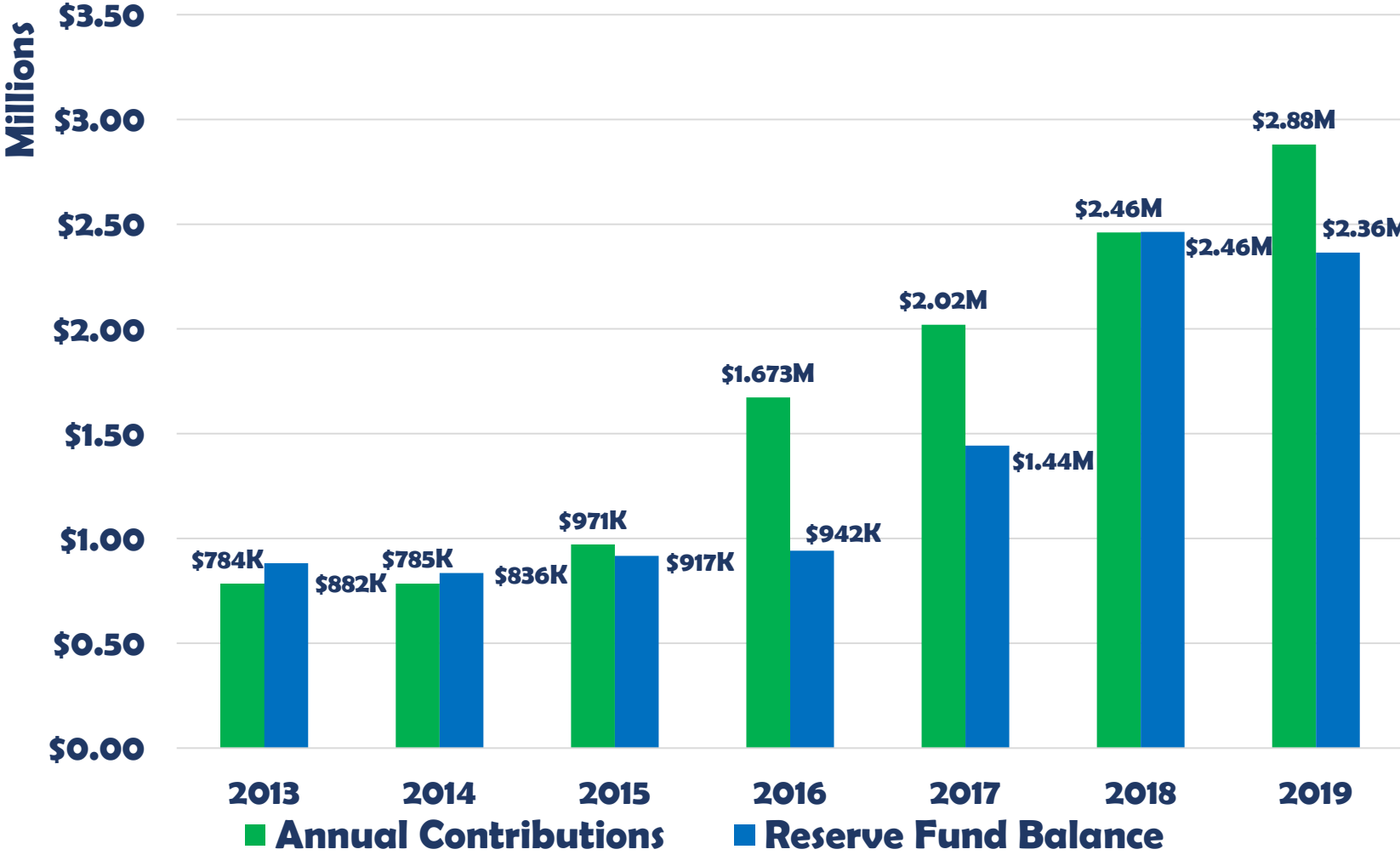


Lifecycle Reserve Fund



Total sum of Lifecycle Contributions from 2013 – 2018 = \$8.615 million

Lifecycle Reserve Fund





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Addressing the Capital Infrastructure Deficit:

- 1) Have made steps in dealing with the capital infrastructure gap
- 2) Dedicated an annual tax levy increase entirely to the Lifecycle Reserve Fund to address the infrastructure gap
- 3) Increased the Lifecycle Reserve Fund contribution by \$420,000 in 2019 budget over 2018 (\$2.88M vs \$2.46M)
- 4) Contribution of \$50,000 towards Fleet Replacement



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This budget package includes:

- Draft 2019 Staff Budget Report
 - Appendix A – Operating Budget Summary
 - Appendix B – Capital Budget Listing
 - Appendix C – Deferred Capital Project Listing
 - Appendix D – Departmental Business Plans
 - Appendix E – New Staffing Requests
 - Appendix F – Reserve Fund Listing



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New Staffing Requests:

- Manager of IT
- Website Coordinator
- Revenue Clerk
- Inside Maintainer - Davidson Centre
- Inside Maintainer/Parks Worker
- Outside Maintainer – Public Works
- Cemetery Student – Public Works



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Pre-budget approval for consideration January 9th :

- 1) New positions – Cemetery student, IT Manager
- 2) Recreation program registration software
- 3) Airport, Tiverton Library and Arts Centre Roof projects
- 4) Lighthouse Restoration – final phase
- 5) Agenda Management software
- 6) Community Engagement software



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BUDGET DELIBERATIONS

