



**City of Woodstock  
Office of the  
Chief Administrative Officer**

**To:** Mayor and Members of Council  
**From:** David Creery, P. Eng, MBA  
 Chief Administrative Officer  
**Date:** February 16, 2023  
**Re:** **Revenue Fund Budget proposal for 2023**

His Worship Mayor Jerry Acchione and Members of Council. The following represents the Revenue Fund Budget proposal for 2023.

The City of Woodstock adopts an annual Budget in accordance with the Municipal Act. The City’s fiscal year runs from January 1<sup>st</sup> to December 31<sup>st</sup>. The City’s Budget serves as a roadmap for the fiscal year’s expenditures and reflects the goals and priorities of City Council. The budget is balanced which means that expenditures are generally funded from current revenues (taxation, user fees). There are some instances where expenditures are funded from reserves and reserve funds. The reserve and reserve fund positions to December 31, 2022, will be provided at a future date.

Revenue from user fees is recovering from the impacts of COVID-19 closures and restrictions, and in some case exceeds historical activity. Some comparisons follow:

User Fee Area	2019 Revenue (pre-COVID)	2022 Actual (unaudited) Revenue
Transit & Paratransit Fares + Charters	\$677,000	\$607,000
Aquatics (swim instruction, public admissions, rentals, waterpark admissions, swim team at Southside Pool and Lions Pool)	\$551,000	\$526,000
Arenas (ice surface use)	\$781,000	\$730,000
Cowan Sportsplex (rental, admission, programs)	\$247,000	\$207,000
Camps	\$122,000	\$207,000
Recreation Programs	\$53,000	\$79,000

We also receive annual funding from OLG's slot facility operations. This revenue source is also approaching historical levels with an estimated \$1.4 million last year, compared to \$1.6 million in 2019. We use funding from the prior year as the revenue source for the current budget year to ensure we're not spending more than the final contribution amount received. This means we use OLG funding from the 2022 fiscal year in the development of the 2023 Budget.

The standing direction of Council has been for OLG funding to be dispersed as follows: 30% to the revenue fund budget (levy mitigation), 15% to community grants, \$350,000 to the 20-year hospital funding commitment and the balance to the Reserve for Capital Projects. The 2022 payment completed the 20-year funding commitment to the Woodstock Hospital which will result in an increase in the amount of the balance which is transferred to the Reserve for Capital Projects (Account 0200-71319 – Provision for Reserve for Capital Projects). Council can provide alternative direction for disposition of these funds or any of the OLG revenues.

The 2022 revenue outlook from "new property assessment" continued to be positive. Development activity remained strong with a 2.61% increase in growth-related property assessment during 2022.

The postponement of the next four-year cycle of property tax reassessment, originally scheduled for January 1, 2021, continues in 2023 with the result that we will continue to use the 2020 property assessments (valuation date of January 1, 2016) for taxation purposes. Since 2020, there has been no assessment change based on re-assessment of existing properties. Changes from a re-assessment would impact the final tax rate.

Total expenditures in the Base Budget are \$112,224,690 which is a 20% increase over 2022. It is important to note that \$16 million of this increase represents an increase in land sales and the resultant contribution to the Industrial Land Reserve Fund. The remaining \$2.7 million equates to a 2.9% increase for the balance of the budget. The net to be raised by taxation is \$68,377,210 which is a 5.76% increase over 2022. The Base Budget levy increase for this year is \$3,724,350. The residential tax rate for the Base Budget will increase by 2.95%, resulting in a \$109.49 (or 4.18%) increase on the average detached single-unit dwelling.

The 2023 Departmental Budget estimates are presented alongside the 2022 Budget as approved by Council and 2022 actuals (year to date) for ease of reference. Please note that the 2022 actuals are unaudited and subject to further adjustments. Expense variations (higher and lower) from Budget occur due to uncontrollable circumstances; an example of which is winter control (snow plowing, sanding, salting and snow removal). It is also important to note that over expenditures in one area are often offset by under expenditures in other areas.

Several additions to Base Budget for City Council's consideration are included. The impact of the additions to Base Budget for the ratepayer is provided at the conclusion of this summary.

The following excerpt of the City of Woodstock 2013 Strategic Plan provides an overview of the goals and objectives as determined by the Council of the day. City Council will be revisiting the Strategic Plan priorities in March and April.

### City of Woodstock Strategic Plan - City Priorities

Woodstock: Inclusive, Vibrant, Sustainable		
Council's Vision	Council's Goals	Objectives
Woodstock is a safe, inclusive and caring community	<b>Community Goal:</b> Enhance the quality of life	<ol style="list-style-type: none"> <li>1. Provide a safe community for all</li> <li>2. Effectively deliver amenities and services</li> <li>3. Improve transportation and mobility</li> <li>4. Increase active recreation opportunities</li> <li>5. Continue to promote arts, culture and heritage</li> <li>6. Enhance ongoing public engagement</li> </ol>
Woodstock has a vibrant and diverse economy	<b>Economy Goal:</b> Create a dynamic, diversified economy	<ol style="list-style-type: none"> <li>7. Enhance the vibrancy in the downtown core</li> <li>8. Promote Woodstock as a place to attract and retain business</li> <li>9. Identify and create a 'destination' for Woodstock (place for visitors)</li> <li>10. Support the development of a skilled labour force</li> <li>11. Encourage the use of locally produced products</li> </ol>
Woodstock is a green and sustainable community	<b>Environment Goal:</b> Protect and enhance our natural environment	<ol style="list-style-type: none"> <li>12. Protect and preserve the environment</li> <li>13. Promote and implement green initiatives</li> <li>14. Protect the quality of our air and water</li> <li>15. Reduce our energy consumption</li> </ol>
Woodstock is fiscally responsible and accountable	<b>Fiscal Sustainability Goal:</b> Ensure long-term financial sustainability for the city	<ol style="list-style-type: none"> <li>16. Develop a long-term financial sustainability plan</li> <li>17. Enhance emergency management planning</li> </ol>

Figure 1- City of Woodstock Strategic Plan - City Priorities

## 2023 BASE BUDGET OVERVIEW

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### Municipal Levy Supported Programs and Services by Functional Area

The following is a summary of the **net cost** approved for 2022 and proposed for 2023 for programs and services supported by the tax levy. The information is presented for each specific service area. Costs presented here are net of any revenue other than taxation (i.e., user fees, grants). Functional areas are presented in descending order starting with the area having the largest year over year \$ increase. The budget amounts shown in the following chart represent BASE BUDGET for all departments except for Woodstock Police Service. Base Budget represents the estimated cost to deliver the same programs and services as the prior year. The Woodstock Police Service provide an “all in” budget which includes base budget plus all “additions to the base budget” as approved by the Police Services Board. Several recommendations for “additions to base budget” from City departments are included for Council’s consideration.

	2022 Approved Levy	2023 Proposed Levy	\$ Change– Levy	% Change
Woodstock Police Service	\$17,508,090	\$19,430,910	\$1,922,820	10.98%
Fire Services	\$9,493,070	\$10,383,000	\$889,930	9.4%
Public Transit				
• Transit	\$2,312,260	\$2,903,220	\$590,960	26%
• Para transit	\$737,970	\$750,480	\$12,510	1.7%
Information Technology	\$1,597,290	\$1,855,630	\$258,340	16%
Clerk’s Department	\$2,356,930	\$2,548,720	\$191,790	8.1%
Marketing & Communications	\$230,340	\$388,110	\$157,770	68%
Public Works	\$5,376,190	\$5,511,740	\$135,550	2.5%

	2022 Approved Levy	2023 Proposed Levy	\$ Change– Levy	% Change
Economic Development				
• Development Office	\$734,160	\$804,790	\$70,630	9.6%
• Small Business Enterprise Centre	\$51,000	\$102,160	\$51,160	100%
Special Events	\$318,550	\$434,850	\$116,300	36%
Woodstock Public Library	\$2,668,950	\$2,779,500	\$110,550	4.1%
Parks Operations	\$3,627,440	\$3,729,190	\$101,750	2.8%
Human Resources	\$825,810	\$910,970	\$85,160	10%
Engineering	\$2,440,030	\$2,523,370	\$83,340	3.4%
Administrative Services	\$1,072,030	\$1,140,380	\$68,350	6.4%
Debt	\$1,474,630	\$1,534,570	\$59,940	4.1%
Council	\$410,760	\$457,130	\$46,370	11%
Camps	\$61,320	\$92,780	\$31,460	51%
Bylaw Enforcement	\$529,880	\$560,040	\$30,160	5.7%
Cowan Park Indoor	\$433,570	\$456,740	\$23,170	5.3%
Public Parking System	\$60,760	\$81,470	\$20,710	34%
CAO	\$350,410	\$369,950	\$19,540	5.6%
City Property	\$88,630	\$106,540	\$17,910	20.2%

	2022 Approved Levy	2023 Proposed Levy	\$ Change– Levy	% Change
Aquatics				
• Southside Pool & Water Park	\$940,110	\$929,000	(\$11,110)	(1.2%)
• Lion’s Pool	\$151,650	\$176,420	\$24,770	16.3%
Parks & Recreation Administration	\$ 260,170	\$269,910	\$9,740	3.7%
Council Committees	\$51,900	\$55,450	\$3,550	6.8%
Planning	\$1,000	(\$6,800)	(\$7,800)	(780%)
Recreation Programs	\$92,820	\$81,660	(\$11,160)	(12%)
Culture				
• Museum	\$456,270	\$442,190	(\$14,080)	(3.1%)
• Art Gallery	\$728,800	\$747,630	\$18,830	2.6%
• Market Centre	\$100,810	\$82,970	(\$17,840)	(17.7%)
Arena Operations				
• Civic Centre	\$215,920	\$216,300	\$380	0.2%
• Southwood Arena	\$1,159,760	\$1,139,260	(\$20,500)	(1.8%)

### User Fee, Reserve and Non-Levy Sourced Funding Programs and Services

The tables below provide the summary of the total **gross expenditures** approved for 2022 and proposed for 2023 programs and services supported wholly by user fees/non levy sourced funding.

	2022 Approved Gross Expenditures	2023 Proposed Gross Expenditures	Change (\$)	%
Grants	\$670,890	\$284,310*	(\$386,580)	(58%)
Building Department	\$1,143,650	\$1,165,990	\$22,340	2%
Land Sales	\$4,010,000	\$20,040,000	\$16,030,000	400%

\*The 20-year funding commitment of \$350,000 to the Woodstock Hospital was completed in 2022.

### County User Fee Supported and County Levy Supported Programs and Services

The following is a summary of the **net cost** for County programs and services, delivered by City forces, supported by County user fees or the County levy.

	2022 Net Cost	2023 Net Cost	Change (\$)	%
Waste and Recycling	\$2,688,900	\$2,766,160	\$77,260	2.9%
Sanitary Sewer Collection System	\$543,920	\$596,980	\$53,060	9.8%
Water Distribution System	\$1,690,860	\$1,743,510	\$52,650	3.1%

## BUDGET NOTES

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### Additional Taxes – page 1, Account 0200-61005

Additional taxes are derived from taxation of new assessment being added to the tax roll during the year as a result of construction activity and property development. Additional taxes averaged \$1.4 million over the last five years excluding 2021 which was an exceptional year.

Additional taxes vary considerably ranging from a low of \$745,000 in 2015 to a high of \$2.9 million in 2021. Last year additional taxes totals approximately \$1.8 million. This can be highly variable and budgeting this “in year” revenue is difficult. Having

reviewed the assessment roll as returned, and considering the new residential, commercial, and industrial projects expected in 2023, the estimate is \$1,500,000.

### **Ontario Lottery Corporation – page 1, Account 0200-61012**

Proceeds received from OLG in accordance with the Municipal Contribution Agreement which directs 5.25% of net electronic games revenue. OLG revenue is recovering to pre-pandemic levels. The 2023 Budget applies OLG funding from the 2022 fiscal year. Similarly, the 2024 Budget will apply revenue from the 2023 fiscal year.

### **Solar Electricity Revenue - page 1, Account 0200-69497**

Revenue from the eight MicroFIT solar installations installed in 2014 plus five additional MicroFIT contracts acquired from Woodstock Hydro in 2015. The IESO contracts for the Woodstock Hydro solar sites were transferred in 2016. The cost of the original 8 installations was funded from the Hydro Reserve. The original capital contribution has been recovered and revenue from all 13 of the solar installations is now contributed to the Hydro Reserve Fund.

### **Community Improvement Program (Downtown Incentives)**

The City has several incentive programs for property owners in the downtown. These programs provide grants and loans for façade improvements and residential conversion of existing buildings and signage. The cost for these grants is included under account 0200-71305. There is also a tax grant back program which grants back the increase in property taxes resulting from property improvements for five years. The cost of this program is included under account 0200-71309. All the costs are ultimately funded by the Downtown Redevelopment Reserve Fund. The funding from the reserve fund for these programs is included in account 0200-69318.

The City makes an annual contribution of \$200,000 to the Downtown Redevelopment Reserve Fund which is the source of funding for this program. Program costs for 2023 are budgeted to be \$413,700 financed by the Downtown Redevelopment Reserve Fund. This amount primarily relates to approved grant and loan applications which remain outstanding.

### **Tax Rebates – Charities and Other Similar Organizations – page 2, Account 0200-71303**

The account represents financing for the difference in taxes between a commercial tax rate and a residential tax for charities and other non-profit agencies in leased premises identified by municipal bylaw. A charity would be taxed at the residential rate if it owned the property rather than leased.



### **Provision for Reserve for Capital Projects – page 3, Account 0200-71319**

This item is commonly referred to as “Capital out of Revenue”. The 2022 contribution is higher than the 2023 proposed budget due to a surplus allocation from the 2021 Budget and the transfer of the proceeds from the sale of 97 Mill Street to the Reserve for Capital Projects. The Reserve for Capital Projects financed the original purchase of 97 Mill Street, so the proceeds of the sale are being returned to the reserve. The 2023 Budget includes the \$350,000 OLG funds previously funding the Woodstock Hospital commitment.

### **Tax Adjustments – page 3, Account 0200-71323**

The account provides funding for the cost of successful MPAC assessment appeals and Assessment Review Board decisions and has been reduced in 2023 as a result of the postponement of the province-wide reassessment.

### **Provision for Reserve and Reserve Funds - page 3-4, Accounts 0200-71399**

Sub-accounts 0700-0784 provide contributions to various reserves and reserve funds. Select explanations follows:

*Provision for Sick Leave Severance Reserve (\$0)* – Reduction continues as the liability for Fire Department sick leave severance is funded at this point in time. Annual contribution needs will be monitored going forward.

*Provision for Repairs to Municipal Buildings (\$450,000)* - The base amount raised each year is \$450,000 to fund repairs to municipal buildings. In 2022, City Council allocated an additional \$250,000 from the 2021 surplus as the Municipal Building Reserve was depleted. Surplus allocations do not provide sustainable sources of funding. The annual need for state of good repair work on municipal buildings will be much higher than the \$450,000 set aside each year. The asset management study to be completed in 2024 will help quantify how much more is needed on a yearly basis. The 5-year capital forecast reveals several years with insufficient funds even with extensive use of debt financing. Examples of projects needing debt financing include the complex roof replacement (\$2.7 million) and the Cowan Park Sportsplex Indoor Turf Replacement (\$990,000).

*Provision for Hydro Reserve Fund (\$88,220)* – Net revenue from the sale of electricity generated by 13 MicroFIT solar installations transferred to Hydro Reserve Fund.

*Provision for Asphalt Resurfacing Reserve – (\$400,000)* - The base amount raised each year is \$400,00 to fund surface asphalt replacement to extend the life of the road network. The goal is to raise \$1,000,000 annually towards asphalt resurfacing. There are sufficient road candidates for this quantity of work and there is sufficient staff resources to handle this amount of work. There is an “Addition to Base Budget” recommendation for this reserve.

*Provision for Radio Reserve – Fire and Police (\$75,000)* – The annual reserve contribution towards improvement and replacement of the radio system. There is an “Addition to Base Budget” recommendation for this reserve as an increase is needed to fund the next replacement cycle of this system.

*Provision for Southside Pond Cleanout (\$0)*- Council approved the establishment of this reserve in the 2018 Budget to fund the estimated \$2.85 million cost of removing the sediment from Southside Pond and the construction of a submerged sediment fore-bay. Annual contributions of \$500,000 were made to raise the funds needed for this project and avoid the need to finance with debt. This reserve reached the amount needed to fund the estimated costs, which is the reason for the reduction to \$0.

*Provision for Salaries and Wages Reserve (\$0)* – This reserve is used to fund in year costs of salaries and wages for years in which there is a collective agreement negotiation. There are no open collective agreements this year so there is no need for an allocation.

#### **Police – page 4, Account 0200-71402**

The Police Services Board Chair and Chief will attend the March 2nd Council meeting to speak to the Police Budget.

#### **0201- Administrative Services, Purchased Services- page 6, Account 0201-71212-0393**

Funds included in 2022 were for a PCI compliance audit. This work was completed internally by staff and therefore no budget is needed.

#### **0202 - Debt – page 7-8**

Development Charge revenue funds the growth-related portions of projects, the Industrial Land Reserve funds one project with the levy supporting the remainder of the annual principal and interest repayments.

Dundas St. Acquisition represents the purchase of the property beside City Hall.

Fire Department – Station #1 (Parkinson Road) expansion and renovation.

Police Department Addition – Addition to Dundas Street Police HQ.

Engineering Office Addition- Addition to James Street building.

Roadway Debt - \$900,000 in debenture funding is used annually to fund the road reconstruction program. This represents the ongoing cost of this financing.

Enviro Depot – Balance of capital cost beyond the grant for the development of the depot.

Rec Facilities Debt – various projects including Cowan Park Sportsplex, Southwood Arena ice plant replacement, etc.

Industrial Land – Debt financing was used for the construction of Woodall Way between Devonshire and Dundas. This opened these lands up for industrial land sales. The cost of this road construction was debentured for 15 years and will be paid off in 2030. The Industrial Land Reserve funds the principal and interest repayments for this project.

Art Gallery – Debt associated with original building renovation which has been paid off.

Shared Radio System – Debt financing was used to fund the development of an improved emergency radio communication system. The Provision for the Reserve for the Radio System is intended to fund future upgrades to avoid the need for debt financing.

#### **0204 - Grants– page 9-10**

The City's Grant Programs are funded from 15% of the OLG slot gaming revenue from prior year. This contribution funds the community grants program as well as several annual grants, with the remaining \$30,000 being directed to the FAIR program.

- Grant - Southgate Centre- The grants portion of the budget includes net expenditures of \$100,820 which represents the annual grant to Southgate Centre that is funded by the tax levy. In 2021, City Council approved an inflationary index of this annual grant, and this is included in the budgeted amount.
- Woodstock General Hospital – The 2022 payment of \$350,000 represented the final year of the 20-year commitment. The \$350,000 is currently included in Account 0200-71319 – Provision for Reserve for Capital Projects as per current Council direction.
- Student Civic Award of Excellence - This budget provides City Council with a \$1,000 bursary to recognize excellence for a student graduating high school. Historically only one \$1,000 bursary was available, however City Council has approved more than one in the past several years. Staff propose to increase this to \$5,000 to provide 5 separate bursaries, one for each high school.

#### **0205 - City Buildings, Various – page 11-13**

This portion of the budget includes revenues and expenses associated with buildings owned by the City but not used by any specific city department. Funds are also budgeted for the ongoing cost of building maintenance when such cost is higher than would normally be absorbed by department budgets for roof work, heating/cooling/ventilation, and masonry repair.

- 16 Graham Street – former Woodstock Hydro building – RFP for sale to be issued this year.
- 474/476 Dundas Street – former Dairy Capital Cheese Shop and Jewelry Store demolished in summer of 2022.
- 447 Hunter Street Rent – Rent from the lease of 447 Hunter Street to the United Way and any associated repairs.
- 97 Mill Street – The property is sold and being re-developed.

- 760 Juliana Drive – Former golf pro shop that was demolished in January.
- Corlett Farm – farmhouse on future industrial land that has been the subject of a heritage assessment.
- Market Centre West End – capital renovation to occur this year to convert space to a city hall annex.

### **0230 - Info Technology – page 14-15**

Part-time Wages – the cost of a summer student previously included in the accessibility committee budget is transferred to IT to support web accessibility improvements.

Increase relates to a variety of factors including enhanced cyber security, increased cost of software licensing, and new payroll and human resources software.

### **Department 0300 Public Works**

#### **Revenue from Equipment – Board of Works – page 16, Account 0300-69403**

The revenue from equipment in this account represents the annualized cost of replacing the fleet based on estimated life expectancies, netting out the cost of operating and maintenance. This same figure is contributed to the Reserve for Equipment Replacement in account 0300-74220-0701(page 20) which is used to fund equipment replacements in the Capital Budget.

#### **Road Maintenance Costs Recovered from County – page 16, Account 0300-69407**

The City completes road maintenance work on the majority of County Roads within City Limits. An agreement between the City and County establishes a cost allocation methodology to reimburse the City for this work.

#### **Overhead Charges Recovered – page 16, Account 0300-69505**

Overhead charges are applied to County programs that are delivered by City forces. The overhead charge applies to programs in waste and recycling management, the sanitary sewer collection system, and the water distribution system.

#### **Benefit Cost Recovered – page 16, Account 0300-69506**

This represents a recovery of staff benefit costs for staff working in the waste, recycling, and sanitary sewer programs.

#### **Sidewalk Repairs – Contracts - page 18, Account 0300-74030-0404**

Sidewalk contracts of \$100,000 includes \$50,000 towards a multi-year downtown paving stone replacement program. The balance is applied to various sidewalk replacements City wide. Downtown paving stonework will be reduced to resolving trip hazards given the plan to begin a streetscape renewal in 2024.

### **City Flag Maintenance – page 19, Account 0300-74095**

These costs solely relate to the oversized City of Woodstock flag adjacent to Highway 401. The \$4,600 will only be sufficient for repairs this year.

### **Winter Control**

Winter maintenance can be found in three separate public work accounts. Winter Control (page 21) includes all the regular street plowing including the cost of salt, sand and brine. Snow removal (page 22) includes the cost to remove snow from the downtown and other areas of the city where there is insufficient snow storage (i.e. Mill Street by retaining wall). Sidewalk snow control (page 18) includes the cost of labour, equipment and material to clear snow on the city sidewalks.

The Parks department also provides winter control for sidewalks fronting city buildings and park sidewalks not included on the public works sidewalk routes.

### **Brush Pick-up – page 23, Account 0300-80416**

Budget for the curbside collection of brush and yearly collection of Christmas trees.

### **City User Fees – Reimbursement County – page 23, Account 0300-80417**

City Council approved a waiver of the fee to bring bulk waste materials to the Enviro Depot for city residents. This expense reimburses the County for this lost revenue based on current County tipping fee for waste at the landfill.

### **Public Works Cleanup - page 23, Account 0300-80418**

This budget includes the cost of staff and equipment to respond to abandoned goods and shopping carts found in various areas of the city. Landfill costs represents the tipping fee associated with the waste materials collected that is not associated with the typical bag tag curbside collection. These materials are stored in a bunker at the Works yard until there is sufficient quantity to transport a load to the landfill. As it is untagged garbage the City must pay the tipping fee. Previously this item was included under the street cleaning budget (Account 73320).

### **0301 - Building Department – page 25-26**

Provincial legislation requires that building permit fees equal the cost of delivering the service. Any surplus revenue from operations must be directed to a Reserve to fund years with insufficient revenue. Insufficient revenue is budgeted in 2023 to offset the cost of the department, resulting in an estimated draw down of \$319,390 from the Reserve. If historical construction activity continues it is unlikely that a draw down from the reserve will be required.

## **0302 - Waste and Recycling**

### **Sale of Recycled Material – page 27, Account 0302-69507 (increase \$300,000)**

Recycled material value fluctuates with global demand for raw materials. Commodity prices for materials has significantly increased.

### **Recovered from County – Waste Collection – page 27, Account 0302-69409**

This figure represents the net cost of delivering all waste and recycling programs on behalf of the County. The year over year increase is 2.87%.

### **City User Fees –page 27, Account 0302-69524-0000**

This reimburses the County of Oxford for the per tonne tipping fee for bulk item waste taken to the Enviro Depot by City residents. It is interesting to highlight that there is no cost to the City taxpayer for bulk item collected at curbside and taken to the landfill, but the County requires remuneration for material brought to a depot and then taken to the landfill.

### **Recycling Depot – page 28, Account 0302-80423**

Costs relate to the portion of the depot for recyclable materials that are otherwise picked up at curbside.

## **0303 - Engineering Department**

### **Transfer from Consultant Services, page 31, Account 0303-69492**

Prior year carry over to support additional services for the completion of development guidelines. Development guidelines create design standards and requirements for subdivision and site plans. The guidelines would address items such as storm sewer requirements, acceptable materials, road geometrics, and grading parameters.

### **Engineering Overhead Recovered County Capital – page 31, Account 0303-69544**

The City charges the County an engineering fee for design and contract administration of County infrastructure such as water mains and sanitary sewers. This work is undertaken in most cases with a road reconstruction project.

### **Engineering New Equipment – page 31, Account 0303-74210-310**

The \$50,000 increase relates to the need to replace the total survey instrument station used to pick up and establish base plan information/data for the road reconstruction program.

### **Street Lighting – Electricity – page 32, Account 0303-79101-0351**

Conversion to LED streetlight technology is complete. Peak electricity costs occurred in 2016 at \$668,000. The Budgeted cost for 2023 is \$600,000.

### **Methane Gas Testing – page 33, Account 0303-80510**

This represents the cost to ventilate closed landfills in the City and to monitor various test points in and around closed landfills.

### **0304 – Bylaw Enforcement**

#### **Bylaw Enforcement Officer Labour– page 34, Account 0304-71216-0805**

This account covers the cost of security guard services in the downtown and Museum Square. The Parking budget includes additional costs related to parking enforcement by the security officers.

#### **Bylaw Enforcement New Software – page 34, Account 0304-71216-0370**

Extension of CloudPermit software currently used by the building department to manage bylaw case files.

#### **0305 - Sanitary Sewer User Fees – page 36, Account 0305-69509 (increase \$53,060)**

This amount represents the net cost of maintaining the sanitary collection system under an agreement with the County. The County recovers this cost through sewer user fees.

#### **0306 - Water Rates - page 38, Account 0306-69560 (increase \$52,650)**

This amount represents the net cost of maintaining the water distribution system under an agreement with the County. The County recovers this cost through water rates.

### **0307 Parking**

#### **Parking - page 43-44**

Historically any deficit in the cost of the public parking system would be funded from the parking reserve fund and any surplus would be contributed to the parking reserve fund. The parking reserve was depleted a number of years ago following the removal of parking meters and increased costs of managing the parking system. The 2023 net cost of the parking system is \$81,470 which is funded by the levy.

Hot Spot parking management software was deployed in 2022 for parking permit purposes and will be expanded for parking infractions in the future.

### **Walkway Property – page 43, Account 0307-71230**

These budget lines relate to 517 Dundas which is the Cole walkway to the public parking lot. This property was purchased with funds from the parking reserve fund and the second floor was rented by the BIA at one time. The second floor is currently vacant.

### **Parking Operations – Contracts – page 44, Account 0307-78104-0383**

The \$59,000 budget represents the cost of the security guard performing parking enforcement.

### **0600 – Planning – page 51**

This budget includes revenue from zone change applications and includes costs used by the Oxford County Planning Department in processing City planning applications. Legal fees provide a budget for the cost for representation by legal or planning professionals at any Ontario Land Tribunal Hearings.

### **0709 Transit**

Transit fare revenue is recovering to pre-covid levels. Conventional transit fare revenue including charters in 2019 was approximately \$589,000 compared with budgeted 2023 revenue of \$545,000.

City Council approved an additional \$150,000 in Dedicated Provincial Gas Tax Funding for 2022 to mitigate the cost of the seventh transit route in a year with reduced fare revenue due to the ongoing pandemic. The Base Budget for 2023 returns the annual allocation of Provincial Dedicated Gas Tax to the typical \$150,000 per year.

The cost of diesel fuel in 2022 increased significantly and prices remain higher than normal. The 2023 Budget provides a \$460,000 year over year increase in equipment operating costs reflecting this change.

These two factors in combination negatively impact the transit budget by \$610,000 which is higher than the year over year increase of \$590,960. Additional fare revenue and advertising revenue are essentially funding the balance of the transit system cost increases.

### **0710 Paratransit**

Paratransit revenue has not recovered to the same extent as conventional transit revenue. Paratransit revenue is approximately half of pre-covid levels.

Paratransit purchased services represents the cost of the Voyago contract.



## **0701 Parks Department**

### **Parks Student Wage Subsidy, page 53, Account 0701-63086**

Grant funding is applied for each year to support summer student hiring. Staff has been very successful in these funding applications particularly during the pandemic. Unfortunately, this funding is not secure at the time of budget approval and the 2023 budget reflects this uncertainty.

### **Parks – Revenue from Equipment – page 53, Account 0701-67198 (increase \$29,390)**

This is the surplus revenue from internal charges for use of City equipment. This results in a contribution to the equipment reserve to fund equipment replacement. The Department is increasing revenue to match the cost of replacing a growing inventory of equipment.

### **Winter Lights – page 56, Account 0701-83177**

The responsibility for the set-up, take down, storage, and maintenance of winter lights. Funds for new winter lights are provided in the capital budget.

### **Pittock Maintenance Agreement - page 57, Account 0701-83725**

As per as agreement between the City and the UTRCA, this represents the annual payment to keep a portion of the north shore open for public access and maintained by UTRCA forces.

### **0702 - Rec Program & Grants -Transfer from Slot Machine Reserve Fund - page 59, Account 0702-67423**

Funds from OLG slot machine revenue are used to support the Fee Assistance in Recreation Program (FAIR). The annual amount was doubled to \$30,000 by City Council in 2018 recognizing increasing use and the extension of the program to cultural services.

### **0711 - Woodstock Art Gallery – page 76-79**

The WAG Advisory Board and Director/Curator will attend the March 2nd meeting of Council to speak to the Gallery Budget.

### **0712 Market Centre - page 80**

This Budget covers revenue and expenses for the east end (Theatre) portion of the building only. Revenue from rentals includes events that are booked with the City during certain periods of the year when Theatre Woodstock is not using the facility.

## **0800 – Economic Development**

### **Transfer from Reserve Film Strategy - page 85, Account 0800-69685**

Funds carried over from 2022 to complete a strategy to attract more interest in Woodstock for filming locations.

### **Transfer from Downtown Reserve Fund – page 85, Account 0800-69687**

This \$18,850 transfer will support the completion of the downtown marketing plan.

### **Transfer from Reserve - Physician various – page 85, Account 0800-69689**

City Council approved a forgivable loan program to support physician recruitment in the 2022 Budget. The City's Strategic Plan identifies the need to attract additional family physicians to the community (Objective 2.7). This new program will provide physicians with up to a \$30,000 forgivable loan to offset some of the initial start-up costs associated with opening a family practice. The City cannot move forward with such a program until City Council approves a community improvement plan for this initiative. This work is currently underway. The \$60,000 included in this account provides for two forgivable loans. A third forgivable loan is budgeted in account 0800-84235-0399.

### **Contribution from BIA-page 85, Account 0800-69698**

Under the new agreement with the BIA, this represents the cost sharing for the Downtown Development Coordinator.

### **Development Trade Show and Travel - page 86, Account 0800-84230-0369**

Increased budget due to planned travel to Japan in 2023.

### **Downtown Development Advertising and Website – page 86, Accounts 0800-84234-0315 & 0800-84234-0370**

This combined \$35,000 proposed budget is for downtown business recruitment.

## **0801 - Land Sales – page 88**

The significant increase (+\$16,000,000) in projected land sales reflects the planned sale of lands in the new phase of the Patullo Ridge Business Park.

## **0900- Human Resources Provision for Furniture Reserve – page 92, Account 0900-71214-0752**

Human Resources will be relocating to the second floor of the west end of the Market Building in the latter part of 2023. This provides a budget for furnishings in the new workspace.

**Library - page 94-96**

The Library Board Chair and Chief Librarian will attend the March 2nd Council meeting to speak to the Library Budget.

**1101- Marketing and Communications**

**Marketing Administration – Sales Internal - page 98, Account 1101-65104 (revenue decrease \$40,000)**

This represents an internal change in sharing the cost of using the What’s on Woodstock magazine. Previously internal departments were charged by the page for using this communication medium. This creates additional accounting entries but no benefit. Some revenue is continued to allow a charge for internal use by departments who receive funding from county user fees.

**ADDITIONS TO BASE BUDGET SUMMARY**

The following summarizes the staff recommendations for additions to Base Budget for Council’s consideration.

	Base Annual Funding	Additional 2023 Levy Impact	Capital Budget Impact	Suggested Financing	Revenue Fund Budget Annual Cost	2024 Levy Impact	Recommend For Inclusion in 2023 Budget?
<b>Financial Sustainability: Reserves Contributions</b>							
Asphalt Resurfacing Reserve (Annual funding goal is \$1 million)	\$400,000	\$200,000	Increase in funds for 2023 work	Levy	\$200,000	\$200,000	Yes
Post-Secondary Capital Grant Reserve Fund (this reserve fund is not established yet)	\$0	\$100,000	N/A	Levy	\$100,000	\$100,000	Defer to 2024

	Base Annual Funding	Additional 2023 Levy Impact	Capital Budget Impact	Suggested Financing	Revenue Fund Budget Annual Cost	2024 Levy Impact	Recommend For Inclusion in 2023 Budget?
Provision for Emergency Services Radio Communication Reserve – Fire and Police Services	\$75,000	\$125,000	Funding Future Replacement	Levy	\$125,000	\$125,000	Yes
Provision for Education & Training Reserve	\$50,000	\$20,000	\$0	Levy	\$70,000	\$20,000	Yes
<b>Staffing Related Additions to Base Budget</b>							
Engineering Department: Convert one of three transit part-time custodians to full-time employee	\$46,000	\$19,700 9 months	N/A	Levy	\$26,300	\$27,000	Yes
Parks and Recreation Department: Supervisor of Forestry New Position	\$0	\$60,000 (6 months in 2023)	\$3,000 IT	Levy	\$124,000 (full year cost estimate)	\$134,000 +\$45,000 capital budget impact for additional vehicle	Yes

	Base Annual Funding	Additional 2023 Levy Impact	Capital Budget Impact	Suggested Financing	Revenue Fund Budget Annual Cost	2024 Levy Impact	Recommend For Inclusion in 2023 Budget?
Parks and Recreation Department: One Seasonal Full-time Temporary – Skilled Labourer Parks 9 months annually	\$0	\$60,000	N/A	Levy	\$60,000	\$62,000	Yes
Parks and Recreation Department: Two Summer Students 4 months annually	\$0	\$30,000	N/A	Levy	\$30,000	\$31,000	Yes
Parks and Recreation Department: One Seasonal Full-time Temporary – Assistant Supervisor Special Events 9 months annually	\$0	\$49,500	\$0	Levy	\$49,500	\$51,000	Yes
Human Resources Department: Human Resources Coordinator New position	\$0	\$44,000 (6 months)	\$3,000 IT	Levy	\$88,500	\$91,100	Yes

	Base Annual Funding	Additional 2023 Levy Impact	Capital Budget Impact	Suggested Financing	Revenue Fund Budget Annual Cost	2024 Levy Impact	Recommend For Inclusion in 2023 Budget?
Administrative Services Summer Student Position (Co-op)	\$0	\$11,500	\$0	Levy	\$11,500	\$11,900	Yes
Woodstock Art Gallery: Part-time Front Desk Attendant	\$0	\$15,000 (partial year)	\$0	Levy	\$25,000	\$25,700	Yes
Woodstock Art Gallery: Part-time Casual Art Installation Technician (replaces contract)	\$0	\$0	\$0	Reduction of Contracted Service Budget	\$12,500	-\$16,600 Estimated Full Year Savings	Yes
CAO Department: Marketing and Communications Coordinator (internal transfer)	\$71,000	\$0 partial year	\$0	Financed from a reduction in WoW production cost	\$34,000 less \$18,000 in WoW production cost	\$22,000	Yes
Fire Department: Four Fire Suppression Staff -including uniforms and personal protection equipment	\$0	\$193,400 6 months	\$0	Levy \$193,400 & Dev. Charges Reserve - Fire \$15,600	\$378,400	\$402,400	Yes

	Base Annual Funding	Additional 2023 Levy Impact	Capital Budget Impact	Suggested Financing	Revenue Fund Budget Annual Cost	2024 Levy Impact	Recommend For Inclusion in 2023 Budget?
<b>Miscellaneous</b>							
Engineering Department: Reassignment of One Security Personnel to City Wide Parking Enforcement	\$185,000 (Total Security Services Budget)	\$0	\$40,000 (Vehicle)	Additional cost offset from parking infraction revenue	\$10,000 Vehicle operating cost offset by parking infraction revenue	\$0	Yes
Engineering Department: Asset Management Building Condition Assessments – Ongoing	\$0	\$40,000	\$0	Levy	\$40,000	\$40,000	Yes
Fire Department: Contracted Services for Business Continuity Planning	\$0	\$40,000	\$0	Levy	\$40,000	\$0	Yes
<b>Total</b>		\$908,100 \$46,000 \$15,600		City Levy Capital Reserves DC - Fire		\$1,226,500 \$45,000 \$0	

## Additions to Base Budget Supplementary Detail

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### Financial Sustainability (Reserve Contributions)

#### **Reserve for Asphalt Resurfacing (recommend \$200,000)**

**2023 Additional Levy Impact: +\$200,000**

**2024 Levy Impact: +\$200,000**

In 2015, to slow a decline in road condition, staff recommended an increase in the asphalt resurfacing budget from its existing level of approximately \$1 million to \$2 million in five increments of \$200,000 over a 5-year period. Council approved two of these increments; one in 2015 and a second in 2018 resulting in annual base funding of \$400,000. Council has approved allocations from Budget surplus in other years, but these allocations decrease needed funding for other capital assets and do not provide annual sustainable funding.

The 2022 Asset Management Plan for core assets provided an asset health grade of C (average condition of 68%) and a financial capacity grade of D for the paved roads asset class. This study estimated the average annual investment to maintain the road inventory to be \$10 million compared with current annual funding of approximately \$5 million. This means that a further \$5 million is needed to attain financial sustainability for our paved road network.

Staff recommends consideration of an increase of \$200,000, which will supplement the 2023 asphalt resurfacing program and provide increases for future years. This is supported by the Strategic Plan fiscal sustainability action 16.1: Maintain appropriate financial capacity for present and future needs.

#### **Post-Secondary Capital Grant Reserve (recommend deferral to 2024)**

**2023 Additional Levy Impact: \$0**

**2024 Levy Impact: TBD**

The Strategic Plan includes a recommended action to explore opportunities to partner with educational institutions to support the development of a skilled labour force. Considerations include increased education/technology training opportunities, post-secondary education options downtown and the potential for colleges to initiate a degree program.

Fanshawe College at the Community Complex has more than doubled full-time post-secondary programs and enrolment; both full-time and part-time has grown significantly. The Finkle Street Campus is by far the most undersized facility for Fanshawe relative to the full-time student population. Fanshawe proposed an expansion in 2010, however this did not proceed as Federal funding was not approved. In support of this project, City Council approved a grant of land and a grant of \$1,000,000 subject to approval of other funding. Land and funds were not transferred as the project did not proceed.



Fanshawe College recognizes the need for a facility expansion to meet community needs but there are no immediate plans to expand the Finkle Street Campus. Fanshawe has leased additional space in the downtown to address its facility capacity constraints in the short term. We do not foresee a need for a Reserve to support post-secondary education expansion in the immediate future and recommend deferral of this item to the 2024 Budget.

This item is supported by the Strategic Plan “Create a Diversified Economy” action 10.1: Explore opportunities to partner with educational institutions and Strategic Plan” fiscal sustainability” action 16.1: Maintain appropriate financial capacity for present and future needs.

**Provision for Radio Reserve- Fire and Police Services**

**2023 Levy Impact: +\$125,000**

**2024 Levy Impact: +\$125,000**

Annual funding needed to maintain financial sustainability for the emergency services radio system. The annual contribution necessary to fund future projects is an ongoing calculation. The intent is to not require the use of debt financing when such projects become necessary. The radio system infrastructure technology, utilized by Woodstock’s Emergency and Public Services, typically has a life span of 10-12 years. The current equipment was installed at the end of 2017; therefore, replacement would occur from 2028-2030, with an estimated cost of \$1,200,000. Increasing the annual contribution to radio reserves to \$200,000 (a \$125,000 increase) will provide for this replacement expense.

This item is supported by the Strategic Plan fiscal sustainability action 16.1: Maintain appropriate financial capacity for present and future needs.

**Provision for Education/Training Reserve**

**2023 Levy Impact: +\$20,000**

**2024 Levy Impact: +\$20,000**

Annual funding to support education and training for employees. Funds are used for specific education and training programs and not for annual conferences which are budgeted separately by each department. The annual allocation was increased to \$50,000 in 2019 and has remained at this funding level since. The proposed increase results from a larger workforce, more employees seeking continuing education and a more proactive leadership training program for Supervisory staff. This item is supported by the Strategic Plan Action 2.7: Effectively deliver amenities and services.

## Staffing

### **Engineering Department: convert one part-time custodian to full-time**

**2023 Levy Impact \$19,700 (9 months)**

**2024 Levy Impact \$27,000**

There are currently three part-time transit custodians who clean the buses, clean the transit storage garage/staff area, and clean/clear snow at the transit shelters across the City. The importance of cleaning transit buses and high touch points increased because of COVID. Buses are now cleaned throughout the day with clean buses being swapped for dirty ones at the terminal.

This increased attention to bus cleanliness has reduced the available time to maintain the garage and staff areas at the transit storage facility. Additional staff resources are recommended for custodial work.

### **Parks & Recreation Department: Supervisor of Forestry (new position)**

**2023 Levy Impact: \$60,000**

**2023 Capital Budget Impact: \$3,000 (computer/phone)**

**2024 Levy Impact: \$134,000**

**2024 Capital Budget Impact: \$45,000 (vehicle)**

The Parks and Recreation Department is falling behind risk management and strategic planning tasks for forestry. There is a goal of improving the forestry program by creating an urban forestry management plan, a storm response plan, and updating the canopy inventory. Workflow can be streamlined to create efficiencies by implementing a forestry work order system and updating our GIS tree database. Having updated data for our forestry assets will also help with insurance claims and risk management.

### **Forestry Supervisor**

1. Forestry supervision, strategic planning, contract management and risk management have all become a substantial need in the department. Currently, management does not have sufficient time to dedicate to these tasks.
2. Additional planning and S.O.P.'s required in Forestry:
  - a. Urban Forestry Management Plan – outlines the direction
  - b. Risk Management Strategy and Storm Response Plan
  - c. Workflow Efficiencies and Forestry best practices S.O.Ps
  - d. Invasive Species Management Plan related to Forestry

3. Existing canopy inventory and preservation plan will need to be coordinated and then executed
4. Assistance is needed with site plans regarding tree removals, preservation, and inspections
5. Tree inspection forms and work order migration from paper to electronic
6. Continue with existing partnerships and find new opportunities for partnership, community outreach and education for environmental stewardship

**Parks and Recreation Department: 1 Seasonal Full-time Parks Skilled Labourer (9 months annually)**

**2023 Levy Impact: \$60,000**

**2024 Levy Impact: \$62,000**

Growth of the City’s parks inventory. This position anticipates the additional workload associated with maintaining the GolfNorth (former Cedar Creek Golf Course) lands on both sides of Juliana Drive. The City owns the lands on the south side of Juliana Drive and has a conditional agreement to acquire the lands on the north side of Juliana Drive.

**Parks and Recreation Department: 2 Summer Students – Parks Labourer**

**2023 Levy Impact: \$30,000**

**2024 Levy Impact: \$31,000**

Growth of the City’s parks inventory. These positions anticipate the additional workload associated with maintaining the GolfNorth (former Cedar Creek Golf Course) lands on both sides of Juliana Drive. The City owns the lands on the south side of Juliana Drive and has a conditional agreement to acquire the lands on the north side of Juliana Drive.

**Parks and Recreation Department: 1 Seasonal Full-time Assistant Supervisor Special Events (9 months)**

**2023 Levy Impact: \$49,500**

**2024 Levy Impact: \$51,000**

The Manager of Special Events requires assistance in the planning and delivery of special events. The event schedule each year begins with Victoria Day and continues with intensive special events through to Christmas. Staff are proposing to spread out the busy summer special events more evenly to also spread out the work of planning events and event operations. This includes hosting Cultural Canvas (Art in the Park) in June (rather than July) and Summer Streetfest in July (rather than August). Despite these efforts there is a need for additional assistance in managing special events.

**Human Resources: Human Resources Coordinator**

**2023 Levy Impact: \$44,000 (6 months)**

**2024 Levy Impact: \$91,100**

The Human Resources Department and the City require increased staff resources in the department. Over the last decade the City has seen an increase in the number of employees and the addition of City facilities. These increases add to the departmental demands for staff recruitment, onboarding, training and development, benefit and pension management, employee and labour relations and WSIB and disability management. The current Human Resources complement of three employees is not able to keep up with the increasing demands. Further, the external demands and pressures of frequent changes and additions to legislative requirements have increased dramatically and continue to increase on an ongoing basis.

**Administrative Services: Summer Student Position (Co-op)**

**2023 Levy Impact: \$11,500 (16 weeks)**

**2024 Levy Impact: \$11,900**

The Administrative Services Department is interested in adding a summer student position to the current complement of the department. We have recently experienced increasing difficulty hiring qualified full-time staff. To assist us in this regard, we would like to introduce an opportunity for accounting/business students to experience a co-operative education term within the Administrative Services department. In addition to providing a learning opportunity to a student, our department would benefit with the addition of another person over the summer months while our staffing numbers are reduced due to vacation entitlements.

**Woodstock Art Gallery: Part-time Front Desk Attendant**

**2023 Levy Impact: \$15,000 (partial year)**

**2024 Levy Impact: \$25,700**

This request is for additional budget for staffing of the front desk at the Art Gallery. Additional staffing resources are needed in part to provide fill in for vacation and illness thereby reducing the need for the current full-time staff to work additional hours that typically occur on weekends and evenings. This will reduce the additional expenditures for overtime that occurred in 2022 as well as in years before the onset of the pandemic.

Secondly, there are linkages between this proposal and the CAO-Marketing and Communication proposal. The internal transfer that is proposed for marketing and communications would reduce the staffing in the gallery for front desk support. This position will provide the replacement coverage if that recommendation is approved.

**Woodstock Art Gallery: Part-time Casual Art Installation Technician**

**2023 Levy Impact: \$0**

**2024 Levy Impact: -\$16,600**

In 2015, a part-time installation technician was eliminated in favor of creating a revenue generating education assistant position. The installation work for exhibit changeovers was then contracted to an art installer, of which there are few companies with the expertise and qualifications. This contract has since been completed by a Toronto based company. During the pandemic this company was unable to come to the gallery at times due to COVID restrictions (Toronto - red zone) resulting in alternative local arrangements being made.

We believe there is opportunity to bring these duties back in house through a casual part-time position and eliminate the contract art installer. This would allow the Gallery to plan more effectively for exhibit changeovers and reduce costs. As the contract installer has completed some work this year, we are uncertain as to whether savings will materialize in 2023.

**CAO: Marketing and Communications Coordinator (internal transfer)**

**2023 Levy Impact: \$0 (partial year)**

**2024 Levy Impact: \$22,000**

The Art Gallery and Museum share a dedicated marketing and communication staff resource. This position also provides support at the Art Gallery for duties such as front desk attendant.

This proposal includes an internal transfer of this position to the CAO's Department to supplement and consolidate communications and marketing resources. The communication and marketing needs of the Art Gallery and Museum will continue to be supported, albeit with a corporate resource rather than a dedicated one. We believe that this proposal will make better use of a talented and experienced existing staff resource and also enhance capacity in communications and marketing on an organizational scale. The cost of this change will be mitigated by an \$18,000 per year reduction in the cost of the What's on Woodstock magazine as articles will be written in-house rather than through contracted service.

There have been significant improvements in communication and marketing with the creation of the Manager position in 2022. There is great potential to expand communication and marketing efforts both corporately and to support affiliated organizations such as the BIA and Woodstock Public Library.

This proposal is supported by Objective 4.3, 5.3, and 6 of the Strategic Plan, to market and promote recreational services, arts, theatre, culture and heritage, and enhance ongoing public engagement,

**Woodstock Fire Department: 4 Additional Fire Suppression Staff****2023 Levy Impact: \$193,400 (6 months)****2023 Development Charge - Fire Financing: \$15,600****2024 Levy Impact \$402,400**

Background information on this recommendation is provided in a separate Council report from the Fire Chief on the February 16<sup>th</sup> City Council agenda.

Development charge financing relates to a portion of the cost for uniforms and personal protective equipment for the 4 new staff.

Fire Suppression staff commence employment at a probationary classification and progress to 1<sup>st</sup> Class status through four steps, each taking one calendar year. The salary for each Fire Suppression staff member (below 1<sup>st</sup> Class) is a % of the 1<sup>st</sup> Class firefighter cost as follows:

- Probationary Class (1-12 months): 60%
- 4<sup>th</sup> Class (12-24 months): 70%
- 3<sup>rd</sup> Class (24-36 months): 80%
- 2<sup>nd</sup> Class: (36-48 months): 90%
- 1<sup>st</sup> Class: 100% (2023 salary of \$109,359 + benefits)

The estimated 2027 cost of 4 additional Fire Suppression staff, having reached 1<sup>st</sup> Class status, is \$608,075 inclusive of benefits and assumes annual salary increases of 2%. In the current inflationary environment this estimate is expected to be low.

**Miscellaneous****Engineering Department: Parking Enforcement Officer****2023 Levy Impact \$0****2023 Capital Budget Impact: \$40,000 (new vehicle)****2024 Levy Impact \$0****Revenue Offset: Additional Parking Infraction Revenue**

There is a need for increased parking and bylaw enforcement staff resources for timely response and investigation of complaints and more proactive parking enforcement. In 2022, City Council approved the creation of an Assistant Supervisor of

Bylaw Enforcement (internal promotion) assigned to the downtown area and an additional bylaw enforcement officer. City Council also approved a budget to hire two daytime security guards (five days a week) and one overnight security guard. The daytime security guards were assigned the additional work of downtown parking enforcement when our contract parking enforcement officer resigned. Parking complaints are handled by bylaw enforcement officers who are also investigating and attending to all other bylaw related complaints thereby making parking a secondary task. Parking infractions are proactively enforced in the downtown area by the daytime security guards.

In recognition of budget constraints this year, staff proposes to redeploy one daytime security guard to parking enforcement across the City. This will require the addition of one vehicle to the fleet. The annual vehicle operating cost will be offset by additional parking infraction revenue. The quantum of revenue is difficult to estimate without historical information from proactive enforcement. The estimated annual cost of an additional full-time parking enforcement officer is estimated to be \$100,000 (staff plus vehicle cost). The reassignment of daytime security officer to the broader city, will only add the vehicle cost.

#### **Engineering Department – Building Condition Assessments for Asset Management Planning**

**2023 Levy Impact: \$40,000**

**2024 Levy Impact: \$40,000**

The Asset Management Plan for core assets was completed and approved by City Council in June of 2022. Municipalities are required to complete asset management planning for non-core assets in 2024. The largest non-core assets are the buildings and facilities. To improve the accuracy of this asset category an ongoing program of building condition assessments is proposed. This program will select one or two buildings each year and complete a condition assessment of the various constituent building components. This work will inform the capital forecast planning and the financial planning for capital projects.

This activity is supported by Objective 16 of the Strategic Plan, “develop a long-term financial sustainability plan”.

#### **Woodstock Fire Department: Contracted Services for Business Continuity Planning & Critical Infrastructure Identification**

**2023 Levy Impact: \$40,000**

**2024 Levy Impact: \$0**

Funds for retaining contracted services to review and update the critical infrastructure identification as required by Emergency Management Ontario. This exercise identifies key facilities, and networks, - and their interdependencies, and develops processes to mitigate these from physical and cyber threats and vulnerabilities.

Business Continuity Planning provides pre-planning and direction for City Departments when faced with adverse events to continue the delivery of vital services.

These activities are supported by Objective 17 of the Strategic Plan, “enhance emergency management planning.”

## **CAPITAL RESERVE CONTRIBUTION CONSIDERATIONS**

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### **Provision for Reserve – Repairs to Municipal Buildings**

In 2018, City Council approved an annual contribution of \$500,000 to fund the clean out of Southside Pond (estimated cost \$2.85 million). This decision was made to avoid the use of debt financing for the project, instead using funds raised from the levy over a series of years. Southside Pond cleanout is essentially a maintenance project, albeit one that occurs every 25+ years at substantial cost. Ideally, all maintenance projects (state of good repair) for the City’s capital assets would be funded by internal sources rather than the use of debenture financing. The current interest rate environment is also much less attractive than a short time ago.

The City budget has established financial sustainability for the fleet capital assets and for information technology assets, but none of the other asset categories. Financial sustainability represents the ability to maintain and replace the capital assets at end of service life using internal sources. As mentioned earlier, annual roads program funding is estimated to be approximately half of what would be considered financial sustainability. The asset management plan for non-core assets, due to be completed in 2024, will help define the annual gap to attain financial sustainability for the building asset class and other asset classes.

The 2024-2027 Capital Budget Forecast includes two “state of good repair” building projects that can only be completed with the use of debenture financing. Debt financing is used for a number of other building projects in this forecast period, but these projects are expansions as opposed to maintenance. These two projects are as follows:

	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<b>Debenture Financing</b>	<b>Debenture Financing</b>	<b>Debenture Financing</b>
Complex Roof Replacement	\$500,000	\$400,000	\$1,880,000
Cowan Park Sportsplex Indoor Turf Replacement		\$990,000	

By way of example, a continuation of raising the \$500,000 annually could, over the next two years, result in the avoidance of debt financing for the turf replacement. Each year, staff assess the need to move ahead with a project, or whether the project



can be delayed. If, during this assessment, some work can be delayed, then there is the ability to fund more work from internal sources.

It is important to note that \$350,000, previously used to fund the 20-year hospital commitment, is currently included as a contribution to the capital reserves. This represents a much-needed annual increase in capital funding.

## **WHAT DOES ALL THIS MEAN?**

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The tax calculation has become more complicated, mostly because of MPAC property assessments. The last Province-wide property reassessment occurred in 2016 with the new values taking effect on January 1, 2017. Increases in property value are phased in over four years, while decreases are recognized immediately. A second four year cycle of reassessment was to commence in 2021, however the Province delayed this due to the emergence of the COVID-19 pandemic. As a result, property assessments from 2020 remain unchanged in 2021, 2022, and 2023.

To calculate the average value of single detached dwelling houses we use a simple mathematical average obtained by dividing the total assessed value of single detached dwellings by the number of single detached residential properties. This information is provided each year by the Municipal Property Assessment Corporation (MPAC).

- The 2020 average assessed value for single family dwellings was \$257,793.
- The 2021 average assessed value for single family dwellings was \$259,775.
- The 2022 average assessed value for single family dwellings was \$261,420.
- The 2023 average assessed value for single family dwellings increases to \$264,540.

This is the average assessed value for municipal taxation purposes. It is important to note the significant difference between the current market values of single-family properties in the City and these assessed values for taxation purposes. The re-assessment cycle every four years is intended to minimize the gap between market value and assessed value, but this is clearly not keeping up with real market conditions.

## **BASE BUDGET SUMMARY**

The levy for the Base Budget is \$68,377,210 which is an increase of 5.76% over 2022. The tax rate will increase by 2.95% from the 2022 tax rate. The increase on the average single detached house for the Base Budget is \$109.49 which is a 4.18% increase.

**BUDGET SCENARIOS**

Recommended “additions to Base Budget” total \$908,100 to be financed from the tax levy. The impact of including these additions is as follows:

Scenario	Levy	Year over Year Levy Change	Year over Year %'age Change	Tax Rate %'age Change	Tax \$ %'age Change Average Single-Family Dwelling	Tax \$ Change Average Single-Family Dwelling
Base Budget	\$ 68,377,210	\$ 3,724,350	5.76%	2.95%	4.18%	\$ 109.49
Base Budget + Additions @ \$ 908,100	\$ 69,285,310	\$ 4,632,450	7.17%	4.32%	5.57%	\$ 145.72

Respectfully Submitted,

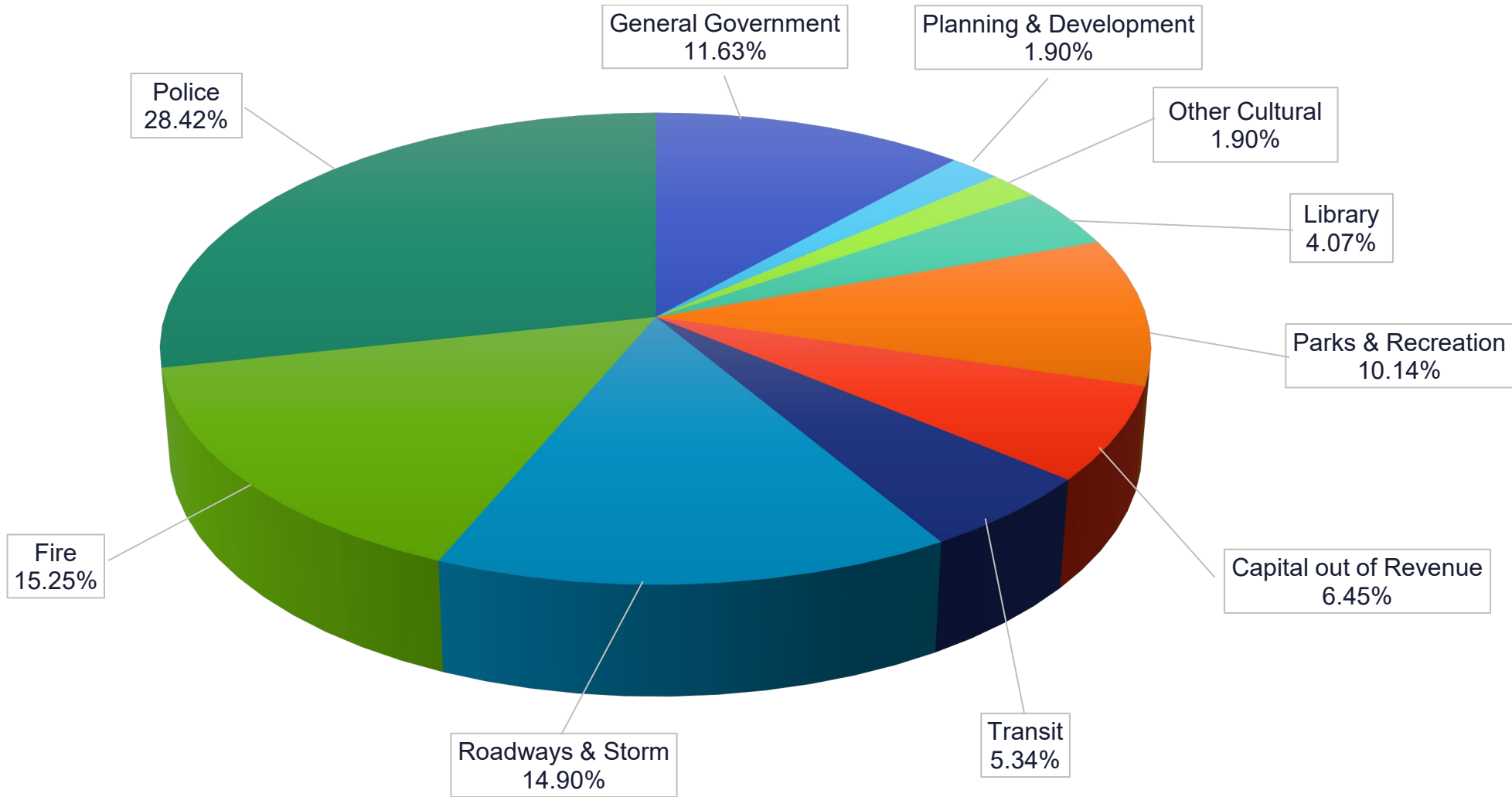
*Diane Campbell*

Diane Campbell  
 Director of Administrative Services

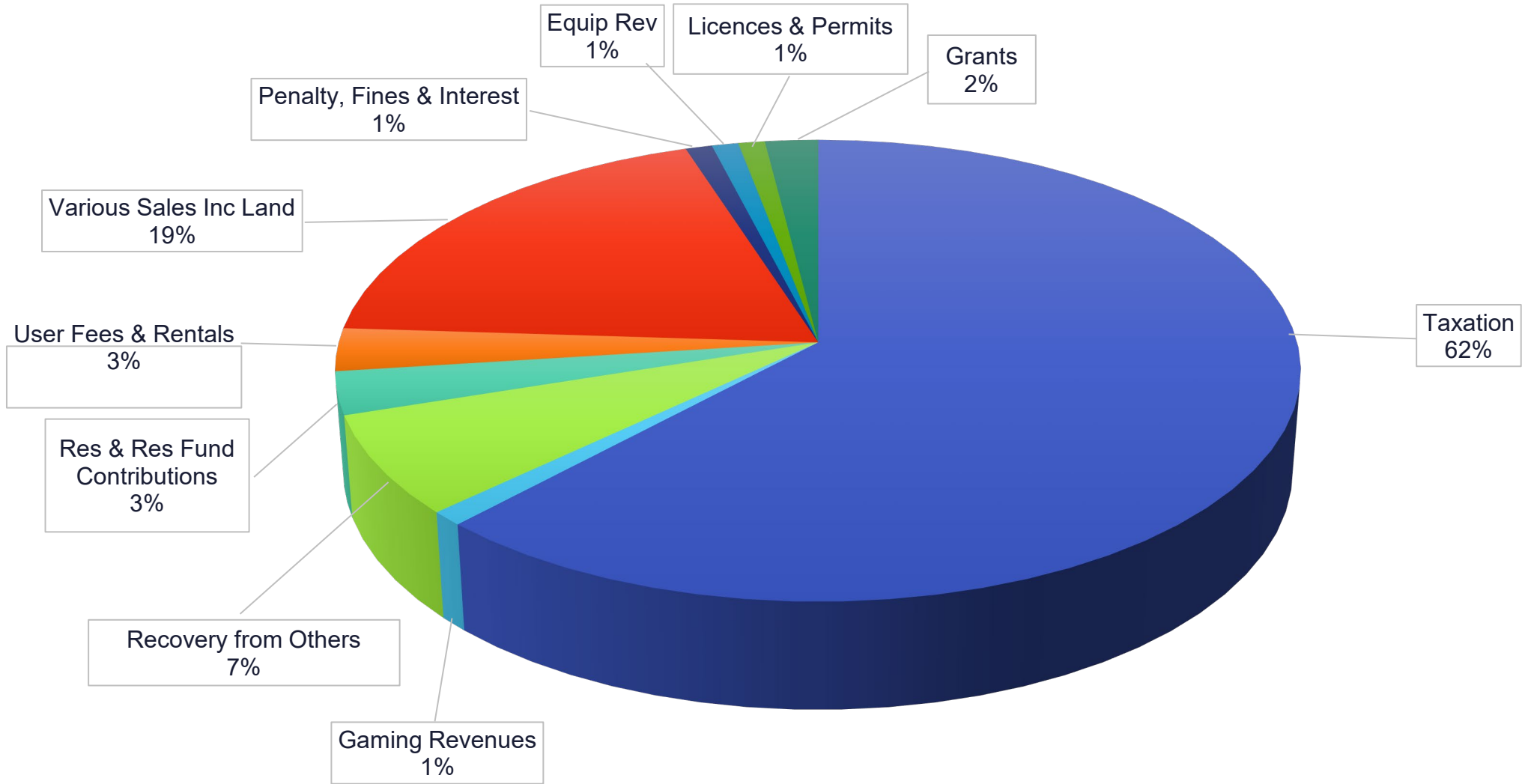
*David Creery*

David Creery  
 Chief Administrative Officer

# How the Proposed 2023 Levy will be Spent



# 2023 Revenue Sources



# Taxable Assessment Comparison

