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Date: January 26, 2017
To: Mayor and Council
Author: Sandra Zwiers, Director of Financial Services
RE: 2017 Budget Update #2
Report No.: FS-2017-004

AIM

To provide council with an update of budget changes since the last deliberation day on January 10, 2017.

BACKGROUND

As new information becomes available to administration, changes may be required to the draft budget.

DISCUSSION

The following changes have been made to the draft budget:

1. Funding for the addition of a defibrillator at the Carnegie has been reduced (decrease of \$2,000). Discussions with the representative from the PAD program indicate funding is no longer available.
2. Provincial grant funding to compensate the town for work done by the Drainage Superintendent has been increased from \$35,000 to \$50,286 (increase of \$15,286) to reflect an updated estimate of the actual time spent on municipal drains by Mr. Vegh.
3. Supplemental revenues were increased from \$215,000 to \$315,000 (increase of \$100,000) to reflect a four year average of taxation income.
4. Tax Write Offs was increased from \$175,000 to \$235,000 (increase of \$60,000) to reflect a four year average of taxation expenses.
5. Fleet purchases identified in the appendix Fleet Schedules were formally added to the 2017 Capital Schedule to match prior year presentation. The corresponding recommended transfers from fleet reserves, to offset these purchases, were also entered into the 2017 Capital Schedule.

6. Lakeview Avenue Road Project (2016) was added to the 2017 Capital Schedule in (increase of \$100,000). The cost represents outstanding contract payments, streetlighting, tree planting, etc. In 2016, council approved the reallocation of unused Gas Tax funding to offset the costs of this capital program. Accordingly, unspent 2016 Gas Tax has been included in the transfers from reserves to reflect these funds coming from 2016 (offsetting increase of \$100,000).
7. Strategic Plan Carryover was added to the 2017 Capital Schedule at the request of the CAO (increase of \$3,500).
8. Sanitation Waste Disposal was increased from \$630,000 to \$646,000 (increase of \$16,000) to reflect actual tonnage to the end of 2016.
9. Sanitation Waste Collection was increased from \$500,000 to \$512,000 (increase of \$12,000) to reflect actual tonnage to the end of 2016.
10. Streetlight Hydro was increased from \$110,000 to \$120,000 (increase of \$10,000) to reflect actual hydro usage to the end of 2016.
11. Planning Consent Revenue has been increased from \$12,000 to \$16,000 (an increase of \$4,000) based on a three year average.
12. Planning Minor Variance Revenue has been increased from \$3,000 to \$5,500 (an increase of \$2,500) based on a three year average.
13. Lakeside Park Box Culvert/Bridge may require an increase to the capital cost based on information received from the Director of Municipal Services through the Parks, Recreation and Culture Committee. If council approves a change in the design to a more ornamental style, administration will need to seek additional funding for this project.
14. Grovedale Capital Project has been updated to reflect the following grant award details:
 - a. Total capital cost has been increased from \$380,000 to \$640,000 (an increase of \$260,000).
 - b. Grant Revenue has been increased from \$0 to \$181,500 (an increase of \$180,000) to reflect the CIP 150 grant.
 - c. Transfers from ELK Reserve have been increased from \$380,000 to \$485,500 (an increase of \$78,500) to make this project tax neutral in 2017.
 - d. The project scope has been described to include:
 - i. Updating Grovedale Arts and Culture Center to meet the needs of the community. The project activities will include but are not limited to:
 1. Replacing the washroom;
 2. Updating the lighting, heating and ventilation of the building;
 3. Creating barrier free access in and around the building;
 4. Installing new flooring and a new roof ;
 5. Updating the kitchen facilities; and
 6. Updating the buildings' facade.

LINK TO STRATEGIC PLAN

To encourage leadership and management that will provide the direction to achieve our goals and maximize the effectiveness of our strategies.

FINANCIAL CONSIDERATIONS

The net impact of these changes results in a proposed municipal residential tax increase change from 4.5% to 4.4% (a decrease of 0.1%).

CONSULTATIONS

Ryan McLeod, CPA, CA, Manager of Financial Services
Senior Management

RECOMMENDATION

That council receives the changes made to the draft budget since January 10, 2017 and considers them as part of deliberations on January 31, 2017.

Sandra Zwiers

Sandra Zwiers MAcc, CPA, CA
Director of Financial Services

Peggy Van Mierlo-West

Peggy Van Mierlo-West, C.E.T.
Chief Administrative Officer