



The Corporation of the Municipality of Arran-Elderslie

Staff Report

Council Meeting Date: November 4, 2024

Subject: SRFIN.24.17 2025 Budget Draft 1

Report from: David Munro, Interim Treasurer

Appendices: Appendix A – 2025 New Capital Projects – Draft 1

Recommendation

Be It Resolved that Council hereby,

1. Receive the 2025 Budget - Draft 1;
2. Directs staff to incorporate any comments and create the November 12th, 2025 Budget Public Meeting presentation;
3. Bring back the 2025 Budget Draft 2 to Council on November 25, 2024;
4. Acknowledge the Municipal Innovation Committee membership to end December 31, 2024

Report Summary

This report lists the Draft 1 2025 Capital projects. The new Paisley Fire Hall & Public Works building is the largest capital project in the history of the Municipality with a total cost of just over \$5 million. Options are included for Council's consideration for the funding of this project. Draft 1 lists many capital projects, and Council will need to consider which ones are required in 2025 within our remaining funds and which ones will need to be declined or deferred to 2026.

The Operating Budget has several of the key drivers listed (e.g. wage increase, inflation, etc.) and staff will incorporate Council's direction on these items and return with a more detailed Operating Budget in Draft 2.

Background

We have funds available for 2025 from the following main sources:

- Reserves
- 2025 Property Tax Revenue
- 2025 User Fees
- 2025 Grants and any prior year grants not yet spent

There is \$1,282,368 available from the 2025 Operating Budget to fund capital projects which is similar to last year.

There is \$837,676 available from the Ontario Community Infrastructure Fund (OCIF) which is typically used for Transportation Services capital projects.

Analysis

A complete list of all the capital projects can be found in **Appendix A – 2025 New Capital Projects – Draft 1**.

General

\$9,000 25-GENG-4112 is a one-time upgrade of screens and sound system in the Council Chambers. It will be funded from the Office Equipment reserve.

\$10,000 25-GENG-4118 is an ongoing regular replacement of old computers to keep our staff working efficiently. It will be funded from the Office Equipment reserve.

\$7,500 25-GENG-4119 Engineering Standards one-time project that needs to be funded.

GENERAL GOVERNMENT	
25-GENG-4112 Upgrade screens and sound system in Council Chambers	9,000
25-GENG-4118 replace old computer equipment	10,000
25-GENG-4119 Engineering Standards	7,500
Total GENERAL GOVERNMENT	26,500

Fire

22-FIRE-0004 Paisley Fire Hall & Public Works Construction

Estimated Total Costs:

Domm Construction	\$2,740,000
non-recoverable HST	\$48,224
Site Prep	\$1,308,125
Landscaping	\$10,000
Standby Generator	\$100,000
Compressor	\$75,000
Radio Tower	\$10,000
Furnishings	\$25,000
Project Manager	\$60,000
Contingency	\$737,060
Total	\$5,113,409

Proposed Funding:

Paisley Fire Reserve	\$270,767
Paisley Bell Mobility Reserve	\$93,540
Common Fire Reserve	\$90,000
Fundraising (need to resource)	\$200,000
Canada Community Building Fund (formerly Gas Tax) reserve	\$1,187,684
Surplus land proceeds reserve ("Planning & Development")	\$680,000
sub-total	\$2,521,991
required to fund	\$2,591,418

Assumptions:

- a) Use all the unspent Canada Community Building Fund (formerly gas tax) from 2025 and prior years (\$1,187,684)
- b) Use all the proceeds from prior years land sales (\$680,000)

Options to fund the remainder:

- 1) use working capital reserve for 2025 and partially build back the working capital reserve with future land sales;
- 2) borrow \$2.5 million from Infrastructure Ontario and pay back with future years Canada Community Building Fund.

25-FIRE-0006 Chesley Pumper Truck was part of the 2024 budget and the unspent amount will be enough to pay for our portion of the chassis which is expected to be billed in 2025. The balance of \$342,000 will be part of the 2026 budget. The Township of Chatsworth's share is approximately \$228,000 as per the shared agreement.

There are several other Fire capital projects, all funded by Fire reserves.

FIRE PROTECTION SERVICES		
24-FIRE-0016 Building-2nd Story Live Fire Training Center		7,500
25-FIRE-4103 Bunker Gear (7 sets)		32,000
25-FIRE-4120 Tara Vehicle Rescue Hydraulic Cutter and Spreader Replacement		19,800
25-FIRE-4121 Tara Vehicle Rescue Air Bag System Replacement		13,500
25-FIRE-4122 AE Fire Modernization of Frontline Thermal Imaging Cameras		24,000
Total FIRE PROTECTION SERVICES		96,800

Transportation Services

To date there is \$837,676 in 2025 grant from the Ontario Community Infrastructure Fund (OCIF). For Draft 1, there are capital projects that add up to \$2,148,913. Council and staff will need to prioritize which projects are necessary for 2025 and defer others to 2026.

These items have been categorized as A, B, or C where A is a priority, B medium priority and C low priority which could be deferred until 2026.

With \$420,000 of funding, the A Priorities could be completed using \$688,413 from the OCIF grant.

This leaves \$900,000 to be funded to complete the B priorities - \$150,000 which can come from OCIF (net extra required to complete the B priorities = \$750,000)

TRANSPORTATION SERVICES		
23-TRAN-0029 BRIDGE/CULVERT-(E) - Con 6 Elderslie, east of Lockerby Bridge	A	273,013
25-TRAN-0021 VEH&EQUIP (E)- Tandem Plow Truck	A	400,000
25-TRAN-4125 VEH&EQUIP(E)-Roadside Flail Mower	A	20,000
25-TRAN-4126 Sidewalks(P)-Victoria St from Balaklava to School	A	200,000
25-TRAN-4127 Roads-Pave(E)Sdrd 15 S-Con2 to Bruce Rd11 (SB261)	A	166,000
25-TRAN-4131 Roads-Pave(P) Balaklava - George to James (SB696)	A	17,000
25-TRAN-4133 Roads-Pave(P) Church/Arena - Bruce Rd3 to Ross (RB640)	A	17,400
25-TRAN-4135 Roads-Pave(C) 2nd St SE - Lawn Bowling to 90 metres(RB844)	A	15,000
24-TRAN-0027 Trans (E) - Con 10 Elderslie, reconstruct Sdrd 5 intersection (safety)	B	350,000
25-TRAN-4123 VEH&EQUIP(A)-Bin Landfill trailer	B	11,000
25-TRAN-4124 VEH&EQUIP (P)-One Ton Truck	B	82,500
25-TRAN-4128 Roads-Pave(E)Sdrd 15 S-Bruce Rd11 to Con6(SB259)	B	175,300
25-TRAN-4130 Roads-Construct(E) Brant/Elderslie-Bridge east to Sdrd10 (RB318)	B	280,000

25-TRAN-4132 Roads-Pave(P) Mill Dr - Rowe to Bruce Rd3(RB627)	B	19,400
25-TRAN-4134 Roads-Pave(T) Arena - To Ball Diamond	B	15,000
24-TRAN-0046 Roads-(P) Wellington St - Cty 1 to deadend	C	90,000
25-TRAN-4129 Roads-Pave(E) Brant/Elderslie- Bruce Rd3 to 200 metres	C	17,300
Total TRANSPORTATION SERVICES		2,148,913

Recreation and Culture

There is \$1.2 million for capital projects in Recreation & Culture in Draft 1. Funding is as follows:

- ✓ \$200,000 grants
- ✓ \$120,000 donations
- ✓ \$887,752 to be funded

These projects will need to be prioritized for 2025 and defer some to 2026. There are nine recreation capital projects categorized as "Priority" requiring \$269,230 of funding.

Project 25-RECC-4153 Paisley Ball Diamond Enhancements will go ahead, providing the full cost of the project (\$70,000) has been received in donations.

Project 25-RECC-4150 Tara Arena Dressing Room Upgrades is a \$400,000 project funded 50% from a grant that has been applied for. If the application is successful, this project will commence in 2026.

RECREATION AND CULTURE		
24-RECC-0028 BLDG/COMP-Paisley Arena Chiller Replacement	Priority	45,000
25-RECC-4136 BLDG/COMP-Chesley - Replace Chiller	Priority	58,000
25-RECC-4140 Tara Arena Sound System	Priority	5,500
25-RECC-4143 Paisley LCBO A/C Replacement	Priority	4,500
25-RECC-4144 Paisley Town Hall Bell Tower Repair	Priority	10,000
25-RECC-4145 Chesley Pool Mechanical Work	Priority	65,000
25-RECC-4146 Paisley Arena Flat Roof Replacement	Priority	63,230
25-RECC-4151 Tara Arena Roof Repair	Priority	15,000
25-RECC-4154 Tara Pool Tot Dock	Priority	3,000
23-RECC-0025 PARKS-Dr. Milne Park Pavilion Rehabilitation/Retaining Wall	Defer	100,000
24-RECC-0017 BLDG-Tara Arena Storage Building	Defer	30,000
24-RECC-0043 Tara Basketball Court Refurbishment	Defer	25,000
24-RECC-0046 Chesley Park Island Rehabilitation	Defer	100,000
24-RECC-0053 Tara Trail System Rehabilitation	Defer	25,000

25-RECC-4137 Allenford Ball Diamond Lights	Defer	30,000
25-RECC-4138 Chesley Changehouse Upgrades	Defer	12,000
25-RECC-4139 Chesley Tennis Court Resurfacing	Defer	38,890
25-RECC-4141 Trail Master Plan	Defer	50,000
25-RECC-4147 Paisley Legion Upgrades	Defer	35,132
25-RECC-4149 Chesley Tree Planting	Defer	2,500
25-RECC-4152 Paisley Lawn Bowling Cub Drainage Upgrades	Defer	20,000
25-RECC-4153 Paisley Ball Diamond Enhancements	Defer	70,000
25-RECC-4150 Tara Arena Dressing Room Upgrades	Defert/Priority	400,000
Total RECREATION AND CULTURE		1,207,752

Health Services

Two projects that are funded by the Cemetery Trust Fund:

HEALTH SERVICES		
23-HLTH-0003 LAND-Land Purchase to expand Tara Cemetery		174,700
25-HLTH-4113 Chesley Cemetery surveying so we can use extra space for grave sites		15,000
Total HEALTH SERVICES		189,700

Sewer

Several projects that are funded by the Sewer Reserve

SEWER		
21-WSSE-0001 EQUIP-SEWER-P-RAS Pumps		5,000
22-WSSE-0002 EQUIP-SEWER (AE)-Confined spaces equipment		10,000
23-WSSE-0017 BLDG-SEWER-(P)-Pump station roofs (Albertt/Ross) and Mill Drive		20,000
23-WSSE-0018 MANHOLES-SEWER-(C)-Manholes Martha Ave		15,000
23-WSSE-0019 BLDG-SEWER-(C)-Blower room roof @ Lagoons		7,500
23-WSSE-0021 EQUIP-SEWER-(T) Mill Street L.S. Pump#2 Replace		14,000
24-WSSE-0013 SEWER (C) 3rd St SW, 1st to 4th Ave (RB848,850,852)		302,255
24-WSSE-0024 Sewer (P) - Ditch Rotor Rebuild WPCP		25,000
24-WSSE-0028 Sewer (P) - Ross St Pp Stn, Level Transducer		5,000
25-WSSE-0030 North End(C) Sewer pumps		60,000
25-WSSE-0031 Paisley Coverall (P) lightning		5,000
25-WSSE-0032 Digester Valves (P) WPCP		30,000

25-WSSE-0033 Raw Sampler (P) WPCP	5,000
25-WSSE-0034 Alum pumps (C) Lagoons	10,000
25-WSSE-0035 Diesel Generator (C) Riverside Stn	70,000
25-WSSE-0036 Electrical controls (P) Ross St Stn	40,000
25-WSSE-0037 Forcemain swab (P) Ross St Stn	20,000
25-WSSE-0038 Sewer(P)-EA WPCP Capacity Study	10,000
Total SEWER	653,755

Water

Several projects that are funded by the Water Reserve:

WATER	
21-WSWA-0001 EQUIP-WATER - Antenna/Cable	10,000
21-WSWA-0003 WELL-Chesley Community Park Well #1	376,299
22-WSWA-0004 BLDG-WATER (C) - Building, Riverside, Old Shop Rehabilitation	7,755
22-WSWA-0010 BLDG/COMP-WATER - AE WTP - Gaskets and Dialers	30,808
24-WSWA-0016 WATER (C) 3rd St SW, 1st to 4th Ave SW (RB848,850,852)	293,420
25-WSWA-0028 Tablets for data collection.	5,000
25-WSWA-0029 Tower/Standpipe (C,P,T) 5-year inspection	20,000
25-WSWA-0030 CP#2 Well Review	40,000
25-WSWA-0031 Well #3 (T) Review	30,000
25-WSWA-0032 Well #3 (T) Chlorine Analyzer	10,000
25-WSWA-0033 Victoria St (P) watermain	7,500
Total WATER	830,782

Storm

Two projects that require funding are not part of the Sewer and Water reserves. Project 24-WSST-0005 STORM(C) - 3rd St SW, 1st to 4th Ave (RB848,850,852) is the storm portion of a combined Water, Sewer, and Storm Project and should be all done together in 2025 (\$309,325 funding is needed).

STORMWATER SYSTEM		
24-WSST-0005 STORM(C) - 3rd St SW, 1st to 4th Ave (RB848,850,852)	A	309,325
24-WSST-0007 STORM - Urban Stormwater Study	A	49,259
Total STORMWATER SYSTEM		358,584

In summary:

- Funding several Transportation Services projects from the 2025 OCIF grant
- \$420,000 to fund the rest of Priority A Transportation Services
- \$269,230 to fund the Priority projects in Recreation
- \$358,584 to fund the Storm projects

\$200,000 is the approximate amount left to fund the rest of the projects in Appendix A.

Operating

Ontario Provincial Police (OPP) has increased their fee to Arran-Elderslie as follows:

	<u>2025</u>	<u>2024</u>	<u>\$ increase</u>	<u>% increase</u>
Annual bill	\$1,327,734	\$1,163,788	\$163,946	14%
Previous year adjustment	\$62,225	\$8,524	\$53,701	630%
Total	\$1,389,958	\$1,172,312	\$217,647	19%

Our 2024 Tax revenue was \$7 million. Therefore, a \$217,647 increase equates to a 3.1% tax increase just for OPP.

3% union wage increase, as per union contract (Jan 1, 2024 – Dec 31, 2025)

3% non-union wage increase

Three new roles Proposed: Position Summary and Rationale attached in Appendix B

1. Development Services Coordinator
2. Project Manager
3. Facility Attendant

The Project Manager will be mostly charged towards the new Fire Hall & Public Works project in 2025. The Facility Attendant is required, and user fees continue to increase to partially offset.

3% inflation has been added to all amounts.

Like in 2024, the Bridge Reserve is required to be built up.

MIC membership to end as of December 31, 2024, resulting in a \$19,575 savings year-over-year.

This looks like a 7%+ increase in taxes, at this point. More details will follow in 2025 Budget Draft 2.

Initial estimates from Bruce County indicate a 6.81% increase in taxes.

Link to Strategic/Master Plan

6.4 Leading Financial Management

Financial Impacts/Source of Funding/Link to Procurement Policy

There are more requests for capital than money available. Some projects should go ahead in 2025 since they have already been started. For example, we have bought the chassis for a new Tandem Snowplow in 2024, and we should spend the estimated \$400,000 to complete the truck in 2025. This leaves even less available to start projects in 2025. Therefore, some projects will need to be considered for the 2026 budget.

Approved by: Emily Dance, Chief Administrative Officer