

## **Staff Report 2019-1**

Meeting Date: Tuesday, January 15, 2019

Subject: 2019 Proposed Budget

Submitted By: Heather Haire, Treasurer, Finance and Infrastructure Services

### **RECOMMENDATION**

That the 2019 Operating Budget net increase of \$3,747,410 representing a 5.79% average residential tax increase to the Town levy only be approved;

That the 2019 Budget, be approved at a net Town tax levy amount of an estimated \$68,489,911 inclusive of:

- a) a base operating budget increase of \$3,203,691 inclusive of \$1,563,611 in recommended Change in Service Levels (as outlined in Schedule B of Staff Report 2019 - 001), and
- b) additional Tax Levy Funded Capital of \$1,836,581 for a total tax funded capital program of \$19,575,877 (as outlined in Schedule A of Staff-Report 2019-001)

That for 2019, 50% assessment growth revenues in the amount of \$646,431 be used to offset the financial impact of the Town's tax funded capital program;

That for 2019, the remaining 50% assessment growth revenues of \$646,431 be used to offset the financial impact of the base operating budget;

That the continuation of a special levy for Broadband of \$300,000 be approved;

That the Town's operating budget, in the gross expense budget amount of \$100,540,372 be approved funded from the sources listed below:

<b>Operating Budget Funding Sources</b>	<b>Amount</b>
Tax Revenue (including supplementary, PILs)	\$70,315,733
Fines & Penalties	\$5,422,340
User Fees / Rentals	\$14,271,578
Transfer from Development Charge Reserve fund to fund the Fire Aerial growth-related debt servicing costs	\$47,535
Transfer from Community Improvement Plan Reserve	\$100,000
Transfer from Building Stabilization Reserve fund	\$256,416
Transfer from Operating Contingency Reserve	\$7,000
Transfer from Capital Asset Replacement Reserve	\$2,637,455
Interest	\$2,518,143
Grants	\$1,069,341
Sales	\$201,550
Other	\$3,693,281
<b>Total Operating Budget Funding</b>	<b>\$100,540,372</b>



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That the 2019 capital program (expenditures and funding sources), in the gross capital budget amount of \$46,022,519 as listed in Schedule A of Staff Report 2019-1 be approved and funded from the funding sources as follows:

Tax Levy Funding	\$19,575,877
Gas Tax Funding	\$3,720,000
Aggregate Levy	\$191,600
Animal Shelter Reserve	\$58,000
Building Permit Stabilization Reserve	\$34,375
Facility Repairs and Reinvestment Reserve	\$196,378
Fire Equipment Reserve	\$85,000
Fleet Equipment Reserve	\$1,030,000
Fitness Equipment Reserve	\$85,000
Bridge Replacement Reserve	\$407,133
Tax Funded Capital Contingency Reserve	\$642,500
Comprehensive Adaptive Management Plan Reserve	\$34,543
Development Charge Reserves (as detailed in Schedule A to staff report 2019-001)	\$13,544,097
Debenture	\$4,100,000
Main Street Revitalization Fund	\$88,420
Region of Peel	\$650,000
Grant – Ontario Community Infrastructure Fund	\$1,247,096
Other	\$332,500
<b>Total Capital Funding</b>	<b>\$46,022,519</b>

That the Town receive Ontario Community Infrastructure Funding (OCIF) grant funding for 2019 of \$1,247,096, allocate the 2019 grant to capital project 19-098 Mississauga Road Stabilization Works, and the Town recognizes proposed formula based funding for 2020 of \$1,413,316;

That the Town's enhanced roads program, capital project 19-072 in the amount of \$4,100,000, be funded from a debenture to be issued, through the Region of Peel, following construction;

That the Treasurer's update of the Town's projected debt servicing charges as it impacts the Town's Annual Repayment Limit for all previously approved debentures and the proposed debenture outlined in Staff Report 2019-001, be received;

That a 2019 wage increase of 1.75% for all eligible non-union staff including council members be approved for 2019, retroactive to the first pay period in January 2019;

That the Mayor's salary and Councillor's salary be adjusted to \$106,940 and \$43,084, respectively, for the first pay in January 2019 to offset the elimination of the one-third



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income tax exemption as noted in service level request #39 included in Schedule B to staff report 2019-1;

That the Treasurer be authorized to issue cheques or in-kind grants to the organizations in the amounts listed in Schedule C of Staff Report 2019-001 as part of the Town's Municipal Agricultural and Community grants program (MACG). (Account # 01-10-115-40010-365-62319);

That the Treasurer be authorized to make technical adjustments to the 2019 Capital and Operating budget based on business needs, good accounting practices and assessment growth from the return of the municipal assessment roll to be received from the Municipal Property Assessment Corporation;

That the Treasurer be authorized to make technical adjustments to the 2019 Capital Budget due to any changes resulting from the 2019 Development Charges Background Study;

That staff be authorized to submit applications for grants that would reduce expenditures associated with projects, programs and services approved as part of the operating and capital budgets, or to advance improvements where such grants represent the full value of the service or capital improvement;

That staff be authorized to submit and authorize claim summary reports, project status update reports, any other grant reporting that is required as part of the grants that would reduce expenditures associated with projects, programs and services approved as part of the operating and capital budgets, or to advance improvements where such grants represent the full value of the service or capital improvement;

That the Mayor and Clerk be authorized to execute any agreements that may be required to accept grant funding from other levels of governments or other partners to reduce expenditures associated with programs, services and/or capital projects or to advance improvements where such grants represent the full value of the service or capital improvement;

That the Mayor and Clerk be authorized to execute all necessary agreements between the Town and the Region of Peel for the Region's funding of capital project 19-118 – the Caledon East Community Complex – Renovation of Caledon Arts and Crafts for Youth and Community Room project;

That the Town's 10-year capital forecast and basic principles for a multi-year long term plan, approved in principle, and incorporated into the Town of Caledon's Council Work plan;

That the Treasurer be authorized to make adjustments to the 10-year capital forecast as a result of any changes made by Council to the budget, any technical changes required or based upon budget discussions that have occurred if deemed appropriate;

That the updated Caledon Long-Term Strategic Financial Plan as identified on Schedule D of Staff Report 2019-001 be approved;



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That the Treasurer be authorized to make technical adjustments as required to the Caledon Long-Term Strategic Financial Plan as required;

That the Treasurer be authorized to establish new reserve funds as a result of the 2019 Budget; and

That the Clerk be authorized to prepare all necessary by-laws to implement the above recommendations.

### **REPORT HIGHLIGHTS**

- This report details the decisions required to approve the 2019 Operating and Capital Budgets as presented on December 18, 2018.

### **DISCUSSION**

The proposed 2019 Budget was prepared in accordance with section 290 of the *Municipal Act*, as amended, which requires that:

“each year, a local municipality shall, in the year or the immediately preceding year, prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality, including,

- (a) amounts sufficient to pay all debts of the municipality falling due within the year;
- (b) amounts required to be raised for sinking funds or retirement funds; and
- (c) amounts required for any board, commission or other body. “

The purpose of this report is to outline the decisions required to approve the 2019 Operating and Capital Budgets as presented on December 18, 2018. The recommendations of this report are self-explanatory however additional information is provided relating to the Municipal and Agricultural Community Grant (MACG) Program and the recommended grants on Schedule C of Staff Report 2019–001.

Funding provided to organizations within the Town of Caledon through the MACG Program is intended to support not for profit organizations and groups whose goals and or objectives support the Council Work Plan. Funding is provided in the form of a cheque or in-kind contributions. Examples of in-kind contributions include the Town’s provision of park rentals, barricades, picnic tables, portable washrooms, room rentals, building permits for tent and road closure permits at no cost.

Applications for the MACG Program are accepted once a year and reviewed by the Municipal Agricultural and Community Grant Review Committee which consists of several members from the Finance and Infrastructure Services Department Finance and Community Services Department (Recreation).



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A Council-approved staff evaluation tool was developed to assist in the review of submitted applications and the allocation of limited funds. The tool is designed to first evaluate whether an application and organization have met the basic eligibility requirements for funding according to the published MACG guidelines and second to score the strength of an application and funding need. The tool assesses the organization's purpose, how funding will be used, financial sustainability and need and if the organization received other Town funding in the previous or current year. Applicants must meet a minimum score of 50% on the staff evaluation tool to be eligible for funding to ensure the minimum requirements of the Town have been met. Applications must also score at least 2 out of 3 on Question 1: Organization's purpose is in line with the Town's Council Work Plan to be considered eligible for funding.

Caledon Community Services (CCS) has a program, Club Caledon, that provides fitness memberships for low income families. Recreation staff work with CCS to maximize the number of families who participate in fitness programs across Caledon. In 2016, Council approved \$10,000 of the MACG budget to be allocated annually to CCS to fund Club Caledon and the balance is distributed through the application evaluation process (Account #01-10-115-40010-365-62319).

Schedule C has been prepared under the assumption that the 2019 budget Change in Service Level Request #9 will be approved and increase the 2019 MACG funding by \$5,000 (from \$100,000 to \$105,000). If the Change in Service Level request is not approved in the final 2019 budget, staff will report back in February with revisions to the MACG recommendations.

### **FINANCIAL IMPLICATIONS**

The majority of the financial implications are included in other sections of this report.

The Town of Caledon, like other lower-tier municipalities within an area with a regional and local tier government, must secure long-term debt through the upper-tier municipality. This means that the Town of Caledon, like Mississauga and Brampton, must secure long-term debt through the Region of Peel.

Provincial policy allows municipalities to incur debt charges equivalent to 25% of their Net Revenues, which include tax levies, user fees and other income, without prior approval of the Local Planning Appeal Tribunal.

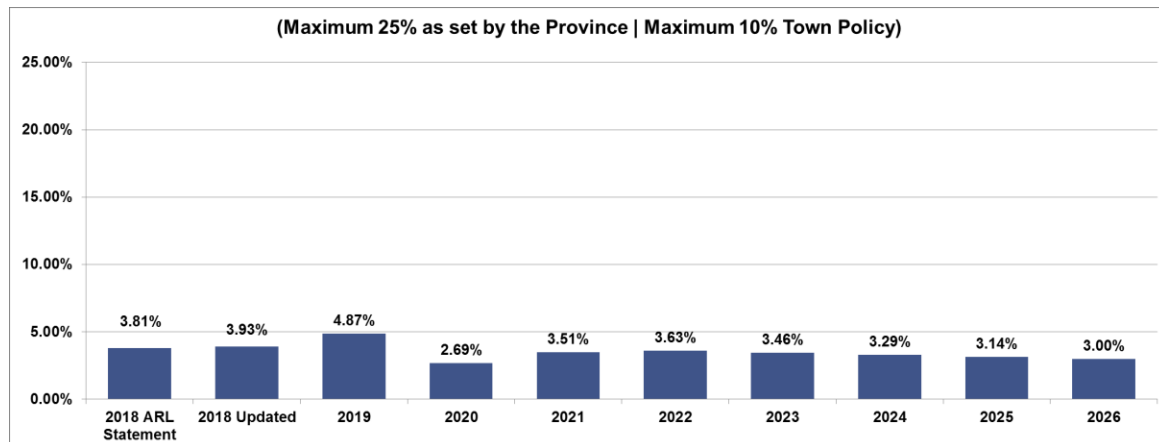
The Province provides each municipality with an Annual Repayment Limit (ARL) statement, in accordance with Regulation 403/02 of Section 401 of the *Municipal Act 2001*, outlining the percentage of net revenues the municipality is currently using to service debt. The calculation of the ARL for a municipality in 2018 is based on its analysis of data contained in the 2016 Financial Information Return (FIR). The Town of Caledon's 2018 ARL statement report indicates that the Town has net debt charges of \$3.1M or approximately 3.81% of the Town's net revenues. This leaves a balance of 21.19% (25% - 3.81%) or approximately \$17.0M of the ARL or debt servicing costs available.



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As part of the 2012 Budget, Council adopted a debt policy where the Town may issue debt to a maximum projected debt servicing charges (principal and interest payments) of 10% of net revenues.

The Treasurer is required to calculate an updated ARL and disclose it to Council in order to assist Council in decisions regarding capital programs and debt. An update of the ARL/debt servicing costs as a percentage of net revenues based on current debentures, the recommended debentures included in this report and projections on future debentures (not approved to-date) is as follows:



The chart above shows an adjusted 2018 ARL and includes updates/assumptions such as:

- Photocopier lease costs;
- Temporary Community Centre Space Lease;
- Future debentures assumed reflect debentures for the 2017 to 2019 Enhanced Road Project at \$4.1 million each year beginning in 2019
- Maturity of Caledon Hydro Debenture in 2019
- Assessment growth revenue projections for 2020 to 2026 based on the same assumptions used in the 2019 budget

The Treasurer has updated the Town's Annual Repayment Limit calculations and concluded that the Town will continue to be below the 25% of net revenues set by the Province and below the 10% of net revenues set by Town policy if debt is issued as recommended in this report.

### **COUNCIL WORK PLAN**

Staff have been working on the 2019 budget since June 2018. Accordingly, the proposed 2019 budget is influenced by the Council Work Plan that was developed and implemented for the December 2014 to November 2018 Term of Council. Other documents that influenced the Town's proposed 2019 budget include various master



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plans (e.g. transportation, recreation, library), the Caledon Long-Term Strategic Financial Plan (CLTSFP), and studies (e.g. planning studies, drainage studies, development charges background study).

The 2014-2018 Council Work Plan identified the following 9 priority areas:

- Customer Service
- Communications
- Growth
- Senior's Housing
- Recreation
- Infrastructure
- Protection of Rural Environment
- Broadband Internet
- Tourism and Sports

The new Town of Caledon Council will develop a Council Work Plan for the new term of Council which will include goals and objectives that will influence the Town's budgets starting in 2020.

As part of the 2019 budget process, staff has updated Caledon's Long-Term Strategic Financial Plan (CLTSFP). In September of 2009, Council approved a Long-Term Strategic Financial Plan for Caledon which outlines the Town's financial goals and represents municipal best practices. While many of the aspects of the CLTSFP are still relevant, some updates are required to reflect new Asset Management regulations and changes that have occurred through Council Reports over the years. Schedule D of Staff Report 2019-1 outlines the updated Caledon Long-term Strategic Financial Plan recommended for Council's approval. The CLTSFP is included in the Town of Caledon's annual budget submissions for the Government Finance Officers Association of North America's Distinguished Budget Presentation Award, which the Town has received for the past seven consecutive years.

## **ATTACHMENTS**

Schedule A – 2019 Capital Budget

Schedule B – 2019 Change in Service Levels

Schedule C – 2019 Municipal Agriculture and Community Grants

Schedule D – Updated Caledon Long Term Strategic Financial Plan



Status as of: December 7, 2018

Department	Division	Project #	Project Name	Total Project Budget	Tax Levy Funding	Gas Tax Fund	Aggregate Levy	Ontario Community Infrastructure Fund	Reserve Funding	DC Reserve	Other	Funding Comment
Community Services	Emergency Operations & Fire Supression	19-021	Alton Fire Station Parking Lot Rehabilitation	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-025	Tanker Replacement (1997)	\$ 620,000	\$ 620,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-026	Personal Protective Equipment	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ -	Fire Equipment Reserve
		19-027	Large Fire Equipment Replacement	\$ 70,000	\$ 45,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	Fire Equipment Reserve
		19-028	Deputy Chief Vehicle (2)	\$ 120,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-030	Joint Fire Communications Center - Capital Equipment Replacement	\$ 32,000	\$ 32,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Recreation	19-043	Mayfield Recreation Centre - Pool Starting Block Replacement	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-044	Recreation - Facility Road Sign Program	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-045	Caledon Centre for Recreation and Wellness/Mayfield Recreation Centre Pool Improvements	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-046	Mayfield Recreation Centre - Change Room Flooring Repairs	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-049	Recreation - Furniture / Fixtures / Equipment	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-050	Recreation - Accessibility	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-051	Mayfield Recreation Centre - Self-operated Pool Lift	\$ 60,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-052	Caledon Centre for Recreation and Wellness - Fitness Equipment Revitalization	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ 85,000	\$ -	\$ -	Fitness Equipment Reserve
		19-054	Mayfield Recreation Centre - Condensor Water Tank and Pump	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-055	Mayfield Recreation Centre - Exterior Structural Review	\$ 86,300	\$ 86,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-057	Lloyd Wilson Centennial Arena - Exhaust Fan Replacement	\$ 27,000	\$ 27,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-058	Inglewood Community Centre - Domestic Water and Fixture Replacement	\$ 45,000	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-059	Inglewood Community Centre - Window Replacement	\$ 35,000	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-060	Margaret Dunn - Asphalt Paving Repairs	\$ 12,000	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-061	Albion Bolton Union Community Centre - Lighting Retrofit	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-062	Albion Bolton Union Community Centre - Caledon Parent Child Centre - Washroom Upgrades	\$ 35,000	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-063	Albion Bolton Union Community Centre - Exterior Stair Replacement	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-064	Caledon Centre for Recreation and Wellness - HVAC Replacement	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-067	Caledon Centre for Recreation and Wellness - Building Automation System Replacement/Upgrade	\$ 120,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-068	Caledon Centre for Recreation and Wellness - Change Room Upgrades	\$ 60,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-088	Alton Library and Community Room - Concrete Walkways	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-089	Caledon East Community Complex - Phase 3 Expansion	\$ 2,806,252	\$ 556,532	\$ -	\$ -	\$ -	\$ -	\$ 2,249,720	\$ -	DC Recreation
		19-090	Caledon East Community Complex - Repairs to Compressor Room and Water Heaters	\$ 55,000	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-095	Victoria Parks Community Centre - Upgrades	\$ 16,500	\$ 16,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-118	Caledon East Community Complex - Renovation of Caledon Arts and Crafts for Youth and Community Room	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	Region of Peel
	Parks Operations	19-041	Humberview Secondary School Turf and Track	\$ 55,466	\$ 10,539	\$ -	\$ -	\$ -	\$ -	\$ 44,927	\$ -	DC Parkland Development
		19-103	Johnston Sports Park Phase 3	\$ 1,800,000	\$ 342,000	\$ -	\$ -	\$ -	\$ -	\$ 1,458,000	\$ -	DC Parkland Development
		19-104	Rubber Playground Surfacing Replacements at Keith McCreary and North Hill Park	\$ 82,400	\$ 82,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-105	Caledon Trailway Structure Replacement/Rehabilitation	\$ 103,750	\$ 103,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-106	Palgrave Tennis Court # 4 Resurfacing	\$ 50,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	Palgrave Tennis Club Cost Share
		19-107	Street Tree Replacements/Planting	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-108	Playground Structure Replacements - Heritage Hills Park - Ruth and Richard Hunt Park	\$ 103,750	\$ 103,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-109	Ted Houston Park Fencing	\$ 15,000	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500	Bolton Brewers Baseball Club Cost Share
		19-110	North Hill Park Path Replacement	\$ 82,400	\$ 82,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-111	Fibar Playground Surfacing Top-Ups - Dell'Unto Parkette - Bill Whitbread Park - Peter Eben Memorial Park - Dennison Park - Bonnie Glen Park	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-112	Sports Field Improvements - Caledon East Soccer Club Complex - Edelweiss Park - Palgrave Ball Park - Sid Coburn Ball Diamond - Inglewood Ball Diamond - Lina Marino Park Soccer Fields	\$ 85,000	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-113	Caledon East Park Playground Surfacing Replacement	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-115	Lina Marino Park Playground Surfacing Improvements	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-117	Park Sign Replacements	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		19-126	Etobicoke Creek Trail Paving	\$ 80,000	\$ 18,800	\$ -	\$ -	\$ -	\$ -	\$ 61,200	\$ -	DC Parkland Development



**TOWN OF CALEDON**  
**2019 PROPOSED CAPITAL BUDGET - FUNDED CAPITAL**

## SCHEDULE A

**Status as of:**

**December 7, 2018**

[illegible]

Status as of: December 7, 2018

Department	Division	Project #	Project Name	Total Project Budget	Tax Levy Funding	Gas Tax Fund	Aggregate Levy	Ontario Community Infrastructure Fund	Reserve Funding	DC Reserve	Other	Funding Comment	
Finance & Infrastructure Services	Engineering Services	19-072	Enhanced Roads Program Comprehensive list of roads can be located attached to detail sheet	\$ 4,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,100,000	Debenture	
		19-073	Growth-related Roads Program - The Grange Sideroad from Heart Lake Road to Horseshoe Hill Road - The Grange Sideroad from Kennedy Road to Heart Lake Road - The Grange Sideroad from McLaren Road to McLaughlin Road - Heart Lake Road from McGregor Drive to Castlewood Court - Heart Lake Road from Beech Grove Sideroad to 1500m North of Beech Grove Sideroad - Heart Lake Road from Highpoint Sideroad to McGregor Drive - Heart Lake Road from Castlewood Court to 650m South of Castlewood Court - Heart Lake Road from Highway 9 to High Point Sideroad - Chinguacousy Road from Boston Mills Road to Old Pavilion Road - Chinguacousy Road from Old Pavilion Road to Budak Trail - Chinguacousy Road from Budak Trail to 560m South of Budak Trail - Chinguacousy Road from Station Road to 730m North of Station Road - Chinguacousy Road from Station Road King Street	\$ 9,263,865	\$ 1,522,353	\$ 1,720,000	\$ -	\$ -	\$ -	\$ 6,021,512	\$ -	Gas Tax, DC Roads	
		19-074	Road Engineering Design and Environmental Assessment - Old School Road from Torbram Road to Airport Road - Old School Road from Bramalea Road to Torbram Road - McLaughlin Road from Olde Base Line Road to Boston Mills Road - McLaughlin Road from King Street to 2100m North of King Street - McLaughlin Road from Boston Mills Road to 980m South of Boston Mills Road - Centreville Creek Road from Castlederg Sideroad to King Street - Saint Andrews Road from The Grange Sideroad to Olde Base Line Road	\$ 1,942,592	\$ 291,389	\$ -	\$ -	\$ -	\$ -	\$ 1,651,203	\$ -	DC Roads	
		19-075	Crack Sealing Program The locations for the 2019 program will be determined on an inspection basis post winter	\$ 191,600	\$ -	\$ -	\$ 191,600	\$ -	\$ -	\$ -	\$ -	\$ -	Aggregate Levy
		19-076	Bridge & Culvert Design Program - Caledon King Townline S 1.67 km north of King Road - Kennedy Road 1.4km north of Olde Base Line	\$ 356,328	\$ 13,206	\$ -	\$ -	\$ -	\$ 343,122	\$ -	\$ -	Bridge Replacement Reserve	
		19-077	Bridge & Culvert Construction Program - Centerville Creek Culvert Replacement 0.35km south of Finnerty Sideroad - Chinguacousy Culvert Replacement 0.45 km south of Old School Road - Chinguacousy Culvert Replacement 0.9 km south of Old School Road - Chinguacousy Culvert Replacement 1.1 km south of Old School Road	\$ 2,064,011	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 64,011	\$ -	\$ -	Gas Tax, Bridge Replacement Reserve	
		19-078	Stormwater Management Program	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
		19-079	Mayfield West Comprehensive Adaptive Management Plan (C.A.M.P.)	\$ 34,543	\$ -	\$ -	\$ -	\$ -	\$ 34,543	\$ -	\$ -	Comprehensive Adaptive Management Plan Reserve	
		19-087	Tormina Acoustic Fence Replacement Phase 3 of 7	\$ 239,900	\$ 239,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
		19-098	Mississauga Road Stabilization Works	\$ 1,598,000	\$ 350,904	\$ -	\$ -	\$ 1,247,096	\$ -	\$ -	\$ -	Ontario Community Infrastructure Fund	
		19-129	Albion Vaughan Acoustic Fence Replacement - Detailed Design - West Side of Albion Vaughan Townline from north of the Canadian Pacific Railway tracks to approximately 1.7km North	\$ 297,000	\$ 29,700	\$ -	\$ -	\$ -	\$ -	\$ 267,300	\$ -	DC Roads	
Finance & Infrastructure Services Total				\$ 33,901,201	\$ 13,641,981	\$ 3,720,000	\$ 191,600	\$ 1,247,096	\$ 2,168,054	\$ 8,682,470	\$ 4,250,000		
Strategic Initiatives	Corporate Communications	19-127	Village Entrance Signage, Bolton Gazebo Repair, Heritage Conservation District Street Signage	\$ 118,000	\$ 29,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,420	Main Street Revitalization Fund	
	Lending Services	19-032	Library Collections and Materials	\$ 450,000	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
		19-033	Library IT Equipment	\$ 76,000	\$ 76,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
		19-034	Library Furnishing Replacement	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
		19-036	Albion Bolton Branch Refurbishment/Improvements	\$ 561,000	\$ 81,345	\$ -	\$ -	\$ -	\$ 479,655	\$ -	DC Library		
		19-037	Wireless Public Print Management System	\$ 12,800	\$ 12,800	\$ -	\$ -	\$ -	\$ -	\$ -			
		19-038	Library IT Audit and Network Assessment	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -			
		19-039	Library Community Outreach Kits	\$ 6,000	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -			
Strategic Initiatives Total				\$ 1,268,800	\$ 700,725	\$ -	\$ -	\$ -	\$ 479,655	\$ 88,420			
Grand Total Town of Caledon - 2019				\$ 46,022,519	\$ 19,575,877	\$ 3,720,000	\$ 191,600	\$ 1,247,096	\$ 2,572,929	\$ 13,544,097	\$ 5,170,920		

**TOWN OF CALEDON**  
**2019 PROPOSED CHANGES IN SERVICE LEVELS**

Schedule B - Staff Report 2019-001

Department	Number	Division	Description	2019 Net Budget Amount	Conversion / New FTE / Contract	Full-Time Head Count	One Time Request (Y/N)	Annualized Net Budget Amount
Corporate Services	1	Regulatory Services	To hire (1) permanent full-time Municipal Law Enforcement Officer to meeting the increasing sevice demands due to growth, new by-laws and initiatives.	\$97,347	New	1	N	\$93,347
	2	Regulatory Services	To produce and distribute a Community Guide for public education and awareness of community standards and expectations regarding property standard matters, permit guidelines and other neighbourhood related matters.	\$16,000	N/A	0	N	\$16,000
	39	Legislative Services	Adjustment to Council Remuneration to offset the impact of the elimination of the one-third income tax exemption starting in 2019. Ensures "take-home" pay for Council members is unaffected by the legislative change.	\$78,000	N/A	0	N	\$78,000
<b>Corporate Services Total</b>				<b>\$191,347</b>		<b>1</b>		<b>\$187,347</b>
Strategic Initiatives	4	Caledon Public Library	Expanded Service and Staff Hours – Part-time Public Service Coordinator, Caledon East.	\$29,788	Part-time	0	N	\$29,788
	5	Caledon Public Library	Full time Digital Literacy and Innovation Coordinator to support of expanded technology programming, training and support to residents and staff and consistently exceptional front-line customer service.	\$95,954	New	1	N	\$95,954
	6	Service Caledon	Additional Associate for Service Caledon to maintain current service levels in response to Customer Service priority, to retain staff and avoid burnout.	\$79,281	New	1	N	\$72,781
	7	Strategic Initiatives	A permanent full time Business Analyst to expand ability to provide business analysis and process improvement across the Town.	\$74,522	New	1	N	\$90,096
	8	Communications	Convert current Production Artist position from part-time contract to full-time to provide enhanced support for Communication Team.	\$25,549	Conversion	1	N	\$45,439
<b>Strategic Initiatives Total</b>				<b>\$305,094</b>		<b>4</b>		<b>\$334,058</b>

**TOWN OF CALEDON**  
**2019 PROPOSED CHANGES IN SERVICE LEVELS**

Department	Number	Division	Description	2019 Net Budget Amount	Conversion / New FTE / Contract	Full-Time Head Count	One Time Request (Y/N)	Annualized Net Budget Amount
Finance & Infrastructure Services	9	Corporate Accounts/Energy & Environment	Increase funding for the Community Green Fund and Municipal Agricultural and Community Grant (MACG) programs to be able to better meet the growing needs of the community.	\$10,000	N/A	0	N	\$15,000
	10	Corporate Accounts	To index the tax assistance grant for low income seniors and low income persons with disabilities with the property tax increase on an ongoing basis.	\$3,250	N/A	0	N	\$3,250
	11	Finance	Conversion of a Permanent part-time POA Financial Analyst to a Permanent full-time Financial Analyst to provide continuous financial analysis to Provincial Offences Administration (POA) Caledon and Dufferin Court. To provide accurate data to collection staff to enhance collection revenue.	\$37,245	Conversion	1	N	\$37,245
	12	Roads & Fleet	To hire one (1) part-time Operations Project Manager to manage a 4 year project to bring subdivisions abandoned by developers to a level of completion where we can finally assume the infrastructure.	\$8,475	Contract	0	N	\$1,975
	13	FIS Administration	To hire eight (8) permanent part-time school crossing guards due to the construction of two (2) new schools in the Mayfield West area, a new transit signal intersection at the Palgrave Public School, and additional guards for Tony Pontes Public, Holy Family and Allan Drive Middle schools.	\$58,780	Part-time	0	N	\$58,380
	14	Transportation	To serve as a placeholder for phasing-in public transit services in Caledon in 2019. The new service level (public transit) is subject to the completion of the Transit Feasibility Study and council approval, planned for April 2019.	\$320,000	N/A	0	N	TBD
	15	Transportation	To hire one (1) full-time equivalent headcount dedicated as Sustainable Transportation Coordinator. The additional resource will assist in supporting the sustainable transportation portfolio for Caledon, as well as the coordination with Peel and provincial initiatives.	\$67,493	New	1	N	\$90,426
	16	Transportation	To hire one (1) full-time contract position dedicated as a 1-year Transportation Engineering Analyst, Co-op Program. The additional resource will assist in identifying the financial implications of the two new regulations by the Federal and Provincial government.	\$32,336	Contract	0	N	\$38,066
	37	Transportation	Beautifying Village Cores. Staff recommend to take the responsibility to standardize the electrical component of the beautification, such as the holiday snowflake lighting decoration hanging on the streetlights, to have better control/protection of the overall electrical system such as fuses and receptacles of the streetlights.	\$110,000	N/A	0	N	\$75,000
<b>Finance &amp; Infrastructure Services Total</b>				<b>\$647,579</b>		<b>2</b>		<b>\$319,342</b>

**TOWN OF CALEDON**  
**2019 PROPOSED CHANGES IN SERVICE LEVELS**

Department	Number	Division	Description	2019 Net Budget Amount	Conversion / New FTE / Contract	Full-Time Head Count	One Time Request (Y/N)	Annualized Net Budget Amount
Community Services	17	Building & Planning	Engineering and landscape contract staff along with a permanent full-time Building Services Associate to undertake the necessary review of plans and drafting of relevant agreements to facilitate the development process of Mayfield West Phase 2 (West of Hurontario Street and North of Mayfield Road).	\$166,812	New/Contract	1	N	\$97,766
	18	Policy & Sustainability	Funds required as per Council Resolution July 2018 for 200th Settlement Area Bi-Centennial Celebrations. Funds required to purchase bunting, flags/signage, other materials to assist in area celebrations in future years.	\$10,000	N/A	0	N	\$10,000
	21	Policy & Sustainability	To provide additional funds for Heritage Grants to promote heritage restoration and protection as a result of adding 180 properties within the Bolton Heritage Conservation District in 2018.	\$15,000	N/A	0	N	\$15,000
	22	Recreation	Caledon Sport Hall of Fame annual induction ceremonies.	\$5,000	N/A	0	N	\$5,000
	23	Building	1 Coordinator and 1 Building Inspector to assist with processing a backlog of inactive open permits, as well as implementing added measures to prevent future permits from reaching a point of inactivity.	\$0	New	2	N	\$0
	24	Planning & Development	Development Coordinator - required to provide additional customer service in circulating Development applications, issuing Municipal numbering and coordinating the clearance of draft plan of subdivision conditions for all subdivisions including Mayfield West.	\$81,380	New	1	N	\$81,380
	25	Parks	To convert one current Parks Temporary Full Time Operator to Permanent Full-Time Operator.	\$60,400	Conversion	1	N	\$60,400
	28	Fire & Emergency Services	Uniforms for Volunteer Firefighters for services, ceremonies and memorials that protocol demands.	\$56,000	N/A	0	N	\$56,000
	32	Parks	To add \$25,000 in the Parks Contracted Services Operating budget for additional boulevard mowing service levels.	\$25,000	N/A	0	N	\$25,000
<b>Community Services Total</b>				<b>\$419,592</b>		<b>5</b>		<b>\$350,546</b>
<b>Total Funded Change in Service Levels</b>				<b>\$1,563,611</b>		<b>12</b>		<b>\$1,191,292</b>

SUMMARY OF POSITIONS	
Conversion positions	3
Corporate Services	1
Strategic Initiatives	3
Community Services	4
Finance & Infrastructure	1
New FTE Positions	9
Contract Positions/Other	4
Part-time/temporary Positions	9

**Town of Caledon**  
**2019 Municipal, Agricultural, and Community Grant (MACG) Requests**

Schedule C: Staff Report 2019-001

Organizations' Name	Grant Name	2019 Requests		2019 Recommendations		
		Amount Requested	In-Kind \$ Requested	Recommended Grant \$	Recommended Grant In-Kind	Total Recommended Funding
Albion & Bolton Agricultural Society	Fall Fair		\$1,486.29		\$1,486.00	\$1,486.00
Albion Bolton Agricultural Society	Tractor Pull		\$1,486.29		\$1,486.00	\$1,486.00
Albion Hills Community Farm	Sustaining Support	\$5,000.00		\$5,000.00		\$5,000.00
Alton Millpond Hockey Classic	Alton Millpond Hockey Classic		\$1,333.18		\$1,333.00	\$1,333.00
Belfountain Community Organization (BCO)	Salamander Festival	\$2,498.32		\$1,000.00		\$1,000.00
Belfountain Community Organization (BCO)	Salamander Festival		\$603.52		\$604.00	\$604.00
Belfountain Community Organization (BCO)	Anthropocene: The Human Epoch Film Showing	\$700.00		\$582.00		\$582.00
Belfountain Music Festival	Belfountain Music Festival	\$5,000.00		\$2,000.00		\$2,000.00
Bethell Hospice Foundation	2019 Hike Event	\$2,500.00		\$1,000.00		\$1,000.00
Bike Brampton	Bike the Creek	\$1,000.00		\$1,000.00		\$1,000.00
Bolton Recreational Sports Club	Line Dancing/Co-ed Dodgeball	\$3,000.00		\$1,000.00		\$1,000.00
Boys & Girls Club of Peel	Sustaining Support - youth programs include social & emotional skills, bullying, mental health, social media etc	\$7,500.00		\$3,000.00		\$3,000.00
C.A.R.A. Cheltenham Area Residents Assoc.	Cheltenham Day	\$1,800.00		\$1,800.00		\$1,800.00
C3 Canadian Cross Training Club	Kids of Steel and 1 Mile Run		\$3,408.80		\$3,409.00	\$3,409.00
Caledon Agricultural Society	Fall Fair and Canada Day Strawberry Festival	\$5,990.00	\$1,240.92	\$3,759.00	\$1,241.00	\$5,000.00
Caledon Canada Day at Albion TRCA	Canada Day Celebration	\$18,000.00		\$6,000.00		\$6,000.00
Caledon Chamber Concerts	Sustaining Support - to keep ticket prices affordable	\$1,500.00		\$1,500.00		\$1,500.00
Caledon Community Services	*Club Caledon (Fitness memberships)	\$10,000.00		\$10,000.00		\$10,000.00
Caledon Community Services	Cycling Event	\$15,000.00		\$700.00		\$700.00
Caledon East & District Historical Society	Caledon Trailway book	\$10,000.00		\$4,000.00		\$4,000.00
Caledon Meals on Wheels	Sustaining Support - for Meals on Wheels Program	\$10,000.00		\$6,000.00		\$6,000.00
Caledon Parent Child Centre	Lets Get Together	\$12,000.00		\$4,000.00		\$4,000.00
Caledon Parent Child Centre	Mobile Outreach Program		\$2,604.20		\$2,604.00	\$2,604.00
Caledon Parent Child Centre	Children's Christmas Party		\$122.36		\$122.00	\$122.00
Caledon Village Association	Sustaining Support - new christmas tree lights	\$9,000.00		\$1,000.00		\$1,000.00
Canadian Mental Health Assoc Peel Dufferin	Ride Don't Hide Peel Dufferin- Caledon Hills 2019		\$2,440.03		\$2,440.00	\$2,440.00
Canadian Mental Health Assoc Peel Dufferin	Ride Don't Hide Peel Dufferin- Caledon Hills 2019	\$7,000.00		\$1,000.00		\$1,000.00
Great War Flying Museum	Ground to Sky: the Great War in Motion	\$4,000.00		\$2,500.00		\$2,500.00
Headwaters Arts	The Festival - Arts Show	\$10,000.00		\$5,000.00		\$5,000.00
Inglewood Schoolhouse Performers	Play "Where Brass Bands Play"	\$1,500.00		\$1,500.00		\$1,500.00
Inglewood Schoolhouse Performers	Room rental for performances		\$448.80		\$449.00	\$449.00
Kinsmen Club of Bolton	Santa Claus Parade	\$5,000.00		\$5,000.00		\$5,000.00
Meaghan Zaremba Music Room (The)	Sustaining Support - for music room	\$5,000.00		\$1,000.00		\$1,000.00
MS Society of Canada - Peel Dufferin Chapter	Caledon MS Walk		\$1,247.28		\$1,247.00	\$1,247.00
Peel 4-H Association	Sustaining Support - support provincial/regional training sessions for volunteers	\$1,000.00		\$1,000.00		\$1,000.00
Peel Federation of Agriculture	Sustaining Support	\$5,000.00		\$1,000.00		\$1,000.00
Region of Peel Agricultural	Brampton Fall Fair & Fencing	\$6,000.00	\$1,334.36	\$2,500.00	\$1,334.00	\$3,834.00
Rotary Club of Palgrave	Terry Fox Run		\$1,639.35		\$1,640.00	\$1,640.00
Royal Canadian Legion - Alton Branch 449	Alton Annual Open Mixed 3 Pitch Tournament		\$1,833.79		\$1,834.00	\$1,834.00
Sandhill Pipes and Drums	Uniform jackets	\$3,000.00		\$1,000.00		\$1,000.00
Senior Saviour Solutions Incorporated	Sustaining Support - develop and expand programs for seniors in the community	\$10,000.00		\$2,000.00		\$2,000.00
Slovenian Linden Foundation o/a Dom Lipa (The)	Fundraiser Walkathon		\$330.95		\$331.00	\$331.00
Village of Inglewood Association	Inglewood Community Day	\$2,000.00	\$1,598.34		\$1,599.00	\$1,599.00
Volunteer MBC	Sustaining Support - To promote meaningful volunteerism and foster best practices through learning and development.	\$5,500.00		\$5,000.00		\$5,000.00
Alton Millpond Hockey Classic	Alton Millpond Hockey Classic	\$1,500.00				\$0.00
Belfountain Community Organization (BCO)	Lobsterfest	\$3,091.89				\$0.00
Bethell Hospice Foundation	2018 Tree Lighting	\$2,500.00				\$0.00
Bolton United Church	Joyfully sharing God's love for all creation through faith, fellowship and service	\$5,000.00				\$0.00
C3 Canadian Cross Training Club	Kids of Steel	\$5,000.00				\$0.00
Caledon Concert Band Assoc.	Music Library Storage	\$12,297.00				\$0.00
Caledon Concert Band Assoc.	Rehearsal Venue		\$2,717.14			\$0.00
Friends of St. Andrews Stone Church	St. Andrew's Stone Church Scottish Afternoon	\$2,000.00				\$0.00
Island Lake Rowing Club	Youth Rowing	\$15,000.00				\$0.00
Navy League of Canada, Caledon Branch/Bolton Sea Cadets	Annual Ceremonial Review Event		\$134.96			\$0.00
Palgrave Residents Association	Palgrave Residents Association Community Meetings	\$8,000.00				\$0.00
The Optimist Club of Caledon	Sustaining Support - support ongoing operations, hosting events and programs for youth	\$15,000.00				\$0.00

\* Club Caledon funding approved per Staff Report 2016-154

\$254,877.21	\$26,010.55	\$81,841.00	\$23,159.00	\$105,000.00
<b>2019 MACG Budget</b>				<b>\$105,000.00</b>

Town of Caledon  
Long-Term Strategic Financial Plan

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## **CALEDON LONG-TERM STRATEGIC FINANCIAL PLAN**

Note: This is an updated Caledon Long-Term Strategic Financial Plan (CLTSFP) which was originally approved by Council in September 2009. While many of the aspects of the original CLTSFP are still relevant, some updates are required to reflect new Asset Management regulations and changes approved by Council, via Council reports, over the years.

# Town of Caledon

## Long-Term Strategic Financial Plan

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### **A. CHALLENGES**

#### **Long-term Financial Planning Challenges**

- The community's request to manage the impact on increases to property taxes
- Implications of continuing the Low Income Tax Assistance Program, and the Designated Heritage Property Grant Program.
- Dealing with unanticipated events or where their actual timing of event is unknown
- The need to follow frequent changes to new legislation, accounting practices and procedures
- The need to deal with a budget surplus (deficit)
- Assessment growth plays an important role in financial planning
- Development and adoption of different stages of asset management to
  - (a) comply with the regulations under O. Reg. 588/17 to be phased in next 5 years; and
  - (b) completely integrate the Strategic Asset Management Policy (the Policy) and the Asset Management Plan (AM Plan) into the organization's business processes and decision making
- Dealing with the possible disposition of Town's assets
- A lack of pre-agreed to priorities for budgetary purposes

#### **Expenditure Challenges**

- Continued pressure on the Town's budget
- Continuing demand to provide funding to outside agencies and groups via grants
- The budget impact of inflationary increases to expenses and the cost of living increases on salaries
- Pressure on Town to add new services and/or increases to existing service levels
- The Town's acceptance of one-time funding from other levels of government



# Town of Caledon

## Long-Term Strategic Financial Plan

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- The Town's involvement in partnership funding opportunities with local groups, agencies, and organizations

### **Revenue Challenges**

- Annual increase to property tax revenues
- Working with the Municipal Property Assessment Corporation (MPAC) to ensure all new construction is promptly captured on the assessment roll as part of commitment to fairness and equity for all taxpayers and to ensure all supplementary tax revenues are captured.
- Unpredictable funding from other levels of government
- User fees are not covering full costs
- Development charges to cover the capital costs attributable to growth and taxes to cover the capital cost attributable to existing development
- Continue on a "pay as you go" capital projects philosophy vs. consideration of debenture financing
- Management of cash balances and maximizing investment revenues

### **Asset and Liability Funding Challenges**

- Insufficient reserve fund balances to meet capital needs
- The need to increase tax supported capital spending to fund aging infrastructure as determined by Asset management plan
- New Asset Management Planning rules and regulations introduced by the Province to ensure that municipalities are meeting the challenges faced from aging assets and increased capital funding needs will increase the need to collaborate in the development of a cohesive and coordinated plan of actions for the long term.

## **B. Guiding Principles**

In order to successfully achieve an improved and strengthened long-term financial health for the Town, the Strategic Financial Plan must balance the four predominant financial challenges, which now face the Town and will continue to do so into the future. It is important that overall guiding principles be used to assist in the resolving and balancing of these challenges. These guiding principles are as follows:

# Town of Caledon

## Long-Term Strategic Financial Plan

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- Need to reflect the goals of Corporate and Department Strategic Plans.
- Need to focus on cost efficient, effective service and program delivery. Encourage cost-effective service delivery.
- Need to maximize revenues through non-tax sources. Ensure the current revenues support current programs.
- Need for sound financial management in utilizing debt to fund capital expenditures.
- Need to properly fund physical assets and liabilities. Provide funding for ongoing maintenance to increase life of the asset and funding for asset replacement.
- Need for competitive property tax rates and user fees. Balance citizen's service expectations with their ability and willingness to pay.
- Need for long-term financial planning as the basis of sound financial management.
- Need to ensure that growth pays for its appropriate share of growth.
- Need to finance capital projects on a 'pay-as-you-go' basis, without taking on debt, unless it is required in support of an exceptional opportunity.
- Need for the Town of Caledon approved, realistic goal for employment and population growth targets.
- Need to maintain an appropriate level of Reserves as determined by Council.

### **C. The Timeframe of the Strategic Financial Plan**

With the term of Council being four years, the timeframe of the Strategic Financial Plan should logically coincide with the term of Council however could extend into future term of council if the plan is still relevant. This Strategic Financial Plan will set the stage for the preparation of the annual budget.

It is anticipated that at the start of a new term of the Council, a review and update of the Council Work Plan will be undertaken, taking into account the priorities of the new Council and the financial forecasts of the Town at that time.

## **D. The Strategic Financial Plan and the Annual Budget Process**

The Strategic Financial Plan will guide the Town's annual budget process. The direction of the annual budget process will be consistent with the principles and policies of the Strategic Financial Plan.

## **E. Financial Strategy**

### **Purpose**

The Town's Strategic Financial Plan is a framework to guide Council and the Town's departments, boards and committees in their financial planning and decision-making processes.

### **Outcome**

An improved and strengthened long-term financial health for the Town.

### **Objectives**

- To focus on cost efficient, cost effective service and program delivery.
- To maximize revenues through a variety of sources.
- To use debt in a fiscally responsible manner.
- To properly maintain and fund the Town's physical assets.
- To account for and fund liabilities.
- To ensure that user fees remain regionally competitive.
- To ensure that growth pays its fair share of growth related infrastructure costs.
- To establish a stable and equitable tax burden policy for the community.

### **Policies**

1. General Policies
2. Financial Management policies

# Town of Caledon

## Long-Term Strategic Financial Plan

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3. Tax Policies
4. General Revenue Policies
5. Development Charges
6. User Fees
7. Funding From Other Levels of Government
8. Asset Management and Liabilities Policies
9. Reserve Fund Policies
10. Capital Budget Management Policies
11. Debt Management Policies
12. Surplus Management Policies

### **1. General Policies**

- 1.1 At the start of the term of Council, the Town will undertake a comprehensive review and update of the Long-Term Strategic Financial Plan.
- 1.2 At the beginning of each of the subsequent years of the term of Council, a Council Work Plan setting session will be held to revisit and update the Council's strategic financial priorities.
- 1.3 Staff will monitor the Ministry of Municipal Affairs and Housing, the Public Sector Accounting Board (PSAB), and other legislative/association websites and literature to ensure that the Town is aware of changes affecting financial reporting and, where necessary, will amend accounting procedures or develop policies for consideration by Council in order to comply with the most current reporting requirements.
- 1.4 A Service Delivery Review process will be undertaken that will review all business activities offered by the Town to ensure that all existing services and programs and their delivery levels are still necessary and are being provided in an effective and cost efficient manner.

### **2. Financial Management Policies**

- 2.1 Provisions will be made for unanticipated expenditures within the annual Operating Budget through a Corporate Contingency Reserve

# Town of Caledon

## Long-Term Strategic Financial Plan

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Fund, with a targeted level of 1.5%, or as best practices dictates, of Expenditures in the Operating Budget.

- 2.2 The Town will continue the corporate purchasing procedure to take advantage of economies of scale, contain costs, reduce costs and avoid costs.
- 2.3 The Town will continue co-operative and collective purchasing agreements with other municipalities, schools, post-secondary education institutions, and/or hospitals to take advantage of economies of scale.
- 2.4 The Town will seek opportunities to enter into fair and equitable joint service agreements with neighbouring municipalities.
- 2.5 The funding of individual local boards and joint service agreements will be reviewed on a regular basis by Council to determine the appropriateness of the current funding level.
- 2.6 The Town will review annually, funding levels to outside agencies and groups via grants to determine the appropriate funding levels.
- 2.7 The Town will seek opportunities to participate in partnership funding with local groups, agencies and organizations. These opportunities will follow established Council policy that contributions to the Town by local groups, agencies and organizations are to be subject to a memorandum of understanding negotiated between the Town and the group. Long-term financial impacts will be considered.
- 2.8 Proposals for new services or service level adjustments (mandatory or discretionary) will be presented to Council for consideration. These proposals shall include impacts on the operating and capital budgets, funding sources, human resource requirements, performance measures, and long-term financial impact.
- 2.9 The Town will maintain a minimum cash balance to meet current financial obligations and invest idle cash in accordance with an approved Investment Policy and through the establishment of appropriate procedures for prompt revenue collection, efficient cash handling, and timely payment of accounts that will result in accurate cash flow projections.
- 2.10 Finance staff will monitor cash balance and investment income on a regular basis.

# Town of Caledon

## Long-Term Strategic Financial Plan

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- 2.11 The Town will inventory and assess the condition of all of its assets and evaluate each asset to determine whether it should be retained or disposed of in light of the long-term plans of the Town including the Town's Asset Management plan.

### **3. Tax Policies**

- 3.1 The Town will explore opportunities and develop an action plan to promote sustainable development and stimulate assessment growth to enhance the ratio of residential to non-residential taxes.
- 3.2 The Town will monitor property tax ratios and the impact of shifts between property classes.
- 3.3 The Town will continue to offer the Low Income Tax Assistance Grant Program and the Heritage Tax Refund Designated Heritage Property Grant Program and annually set target amounts for the grants.
- 3.4 The Town will explore opportunities to provide developers with financial incentives to recover development costs through the use of Property Tax Reduction Financing Programs and Tax Incremental Financing Programs.

### **4. General Revenue Policies**

- 4.1 The Town will review its revenue sources with the goal of reducing the burden on property taxes as the primary source of revenue through increases in existing revenue sources and the investigation of new revenue sources.

### **5. Development Charges**

- 5.1 The Town will be guided by the principle that growth shall pay for itself.
- 5.2 The Town will establish Development Charges at an optimal level in order to fund capital projects required to support the Town's growth related infrastructure.
- 5.3 An annual review will be undertaken by Finance staff to determine if a capital projects update is necessary to the Development Charges Background Study.

# Town of Caledon

## Long-Term Strategic Financial Plan

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- 5.4 The appropriate financial commitment will be considered each year over a 10-year period, for the purpose of increasing the Town's contribution to the Town's tax funded capital program.

### **6. User Fees**

- 6.1 Where applicable, the Town will identify "User Rate Supported" services that will ensure that they recover the full cost of providing the service, including costs associated with operating, capital and administration. Building Services is completely a "User Rate Supported" service as legislated by Bill 124.
- 6.2 Staff will investigate whether any additional current or new services should be included as "User Rate Supported" services.
- 6.3 For all other services, user fees will be considered by the Town where:
- There is a clear relationship between the fees paid by users and the benefits received by the user.
  - The member of the public has a choice as to the extent to which he/she uses the service.
  - It is administratively feasible to collect the charge at a reasonable cost.
  - The benefits can be quantified and attributed to the user.
- 6.4 Staff will prepare a report(s) for consideration by Council that will establish a baseline for the user fees. The report(s) will include the following:
- Identify and document the business units involved in the program or service.
  - Identify the full costs of the program or service as permitted under legislation.
  - Identify the ways that fees are currently set and the extent that they recover the cost of the program or service provided.

# Town of Caledon

## Long-Term Strategic Financial Plan

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- Establish a rationale, targets and timing for the proportion of the cost that will be recovered from user fees and which costs will be recovered from property taxes.
- 6.5 The user fees structure will be sensitive to the “market” for similar services and in setting user fees, the Town will consider fees charged by other agencies or municipalities providing similar services. However, user fees surveys shall not be the sole or primary criteria in setting Town user fees.
- 6.6 The Town will strive to increase user fees as a percentage of overall funding by identifying new areas where user fees can be implemented and by ensuring that existing fees are updated based on increases in the associated costs to provide the service.
- 6.7 The Town will review and update user fees annually taking into consideration the increase in all costs, current “market” situation, and minimizing negative impacts to the public that would result in not limiting access to the service.
- 6.8 The Town will use a two-tier user fee structure based on charging higher user fees for non-Town residents.

### **7. Funding From Other Levels of Government**

- 7.1 By working with the representatives of the Federal and Provincial Governments, as well as with the Federation of Canadian Municipalities (FCM) and the Association of the Municipalities of Ontario (AMO), the Town will lobby additional ongoing and stable funding from the Provincial and Federal Governments.
- 7.2 A multi-year reduction program shall be developed, which assesses the impact of eliminating the Town’s reliance on the Ontario Municipal Partnership Fund as a source of funding and explores a phased increase in the Operating Budget to deal with the loss in revenue from the Provincial Government.
- 7.3 The optimum time for presenting opportunities for one time funding will be during the annual budget process.
- 7.4 The implications on the Town’s Operating and Capital Budgets of any one time funding, and any associated conditions, will be presented to Council for consideration.



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## Long-Term Strategic Financial Plan

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- 7.5 Consideration will be given to phase in increases or decreases to operating budgets that result from funding shifts through the use of Discretionary Reserve Funds.
- 7.6 The annual Operating Budget shall only include revenue from other governments if the amounts are known or can be reasonably estimated based on agreements or other reliable documentation.
- 7.7 The Town will participate in grant/subsidy programs from other levels of Government, only if programs/projects to be supported are required or can be justified independent of the provision of the grant/subsidy.

### **8. Asset Management and Liabilities Policies**

- 8.1 The Town will use lifecycle costing to provide for the future replacement or rehabilitation of the Town's current capital assets, through the use of Public Sector Accounting Board (PSAB) Tangible Capital Asset Reporting, Asset Management Plans and replacement cost.
- 8.2 Upon completion of the Asset Management Plan, Reserve Funds will be supported by a financial plan identifying sustainable contribution sources. Planned withdrawals required to assist meeting planned infrastructure investments will be based on a priority, risk based approach.
- 8.3 The Town will include a planned long-term increase to the Town's tax capital funding program to reflect replacement or lifecycle costs for all of the Town's tangible capital assets in order to meet the recommendations in the Council approved asset management plan and the Council approved Development Charges Background Study.
- 8.4 The Town will direct any available grant funding meant for capital purposes towards capital funding to meet the annual investment recommendations within the Town's Council approved Asset Management Plan.
- 8.5 In the event of the disposition of any asset, the resulting proceeds, if any, will be directed to the appropriate Reserve Fund.

# Town of Caledon

## Long-Term Strategic Financial Plan

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### **9. General Reserve Fund Policies**

- 9.1 Reserves will be reviewed on an annual basis to determine their adequacy and a report, for consideration by Council, will be prepared highlighting the target balances compared with the existing balance and reserve projections. Reserve Funds will be classified as follows:
- Contingency Reserve Funds
  - Discretionary Reserve Funds
  - Obligatory Reserve Funds
- 9.2 If as a result of the annual review, a Reserve Fund is found to be no longer necessary, the balance should be allocated to Reserve Funds that are underfunded on a corporate priority basis for consideration by Council.
- 9.3 Risk specific issues will be funded through the Reserve for Contingencies, to be funded at a level to be determined by staff for consideration by Council.
- 9.4 The Town will ensure that funding from Town contingencies reserve funds is available to respond to an emergency situation. To supplement this funding, the Town will approach the Provincial and Federal Governments for financial assistance during emergency situations.

### **10. Capital Budget Management Policies**

- 10.1 The Town prepares Ten Year Capital Budget with detailed project and financial information identified for each year. The Ten Year Capital Budget will be re-evaluated and updated on an annual basis by staff for consideration by Council.
- 10.2 A corporate prioritization process will be established for all capital projects. All projects shall be consistent with the Caledon Council Work Plan, Council's Priorities, and supplemented with the following criteria related to priority allocations for expenditures:
- Mandatory
  - Safety/Health
  - Maintenance of Infrastructure
  - Expansion & Growth
  - Other

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### **11. Debt Management Policies**

- 11.1 For Tax-Supported debt, debt carrying costs must be paid through the Town's Operating Budget, while for Rate-Supported debt, debt carrying costs must be paid through user fees.
- 11.2 The use of internal borrowing should be maximized to reduce borrowing costs, while taking into consideration the impact on the Town's overall financial position. Internal borrowing shall mean borrowing from Reserve Funds.
- 11.3 The Town has adopted a debt policy where the Town may issue debt to a maximum projected debt servicing charge (principal and interest payments) of 10% of net revenues.
- 11.4 Capital projects that renew or rehabilitate existing assets should not be eligible for debt financing and a planned process will be developed whereby an annual tax-supported contribution will be made to meet existing needs of all assets.
- 11.5 Until Asset Management Plan is fully implemented, the Town will consider undertaking a short-term managed program of debt financing to address the Town's current infrastructure deficiency and to reduce further deterioration of the Town's infrastructure.
- 11.6 The Town will structure debt to be consistent with a fair allocation of costs to current and future beneficiaries or users.
- 11.7 As debt carrying costs decline due to retirement of debt, the Town will apply savings to fund the Town's infrastructure replacement and lifecycles costs as recommended by the Town's Asset Management Plan.
- 11.8 The Town will monitor its debt annually and report the results to Council.

### **Surplus Management Policies**

- 12.1 Staff will prepare quarterly variance reports for consideration by Council to increase accuracy in anticipating year-end surpluses/deficits.

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- 12.2 The surplus from an audited year-end balance will be transferred to a Town Reserve Fund at the end of each fiscal year and will be available for allocation by Council after the Audited Financial Statements have been presented to Council.
- 12.3 Funds from Town operating surpluses, if any, will be allocated to the following:
- To fund the Operating Contingency Reserve
  - To fund the Tax Funded Capital Contingency Reserve
  - To fund under-funded Reserve Funds based on Council priorities or the Town's Asset Management Plan.