



2022 Budget & Long-term Plan Overview

December 8th & 9th, 2021

**Any photos of individuals standing together without masks were taken prior to the COVID-19 pandemic.*

**Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.*



Presentation Outline



- Long-term Financial Plan Framework
- Responsible Taxation
- 2022 Draft Budget & Long-term Plan Overview
- Departmental Overview & Issue Papers
 - Public Works
 - Community & Social Services / NCHC
 - Corporate Services
 - Economic Development, Planning & Tourism
 - Information Technology / Records Management
 - Golden Plough Lodge
 - Paramedics
 - Finance
 - Corporate Management, Communications & External Transfers
- Summary
- Questions

Long Term Financial Planning Framework

The Four Strategic Priorities



Economic
Prosperity
and
Innovation



Sustainable
Growth



Thriving and
Inclusive
Communities



Leadership
in Change

LTFPF Overview



- Long Term Financial Planning Framework (LTFPF) ensures current budget year is not considered in isolation
- Framework of principles that guide financial decision making
- Assesses financial implications of current and proposed strategic directions
- Ensures alignment of short-term decisions with long-term strategies
- Ten year detailed financial plan for Capital and Operating
- Current year budget and nine year forecast
- Living document annually updated
- Allows for possibility of Council approved multi-year budgets

LTFPF Cycle



May/ July	<ul style="list-style-type: none">• Finance and Audit Committee / Council approval of target levy increase and dedicated infrastructure target levy• Examine all revenues/expenditures for saving opportunities and efficiencies
July/ August	<ul style="list-style-type: none">• Budget stakeholder consultation / budget simulation tool• Identify Issue Papers and major impacts• Develop departmental Draft Budgets
September	<ul style="list-style-type: none">• Review Issue Papers at Standing Committee meetings• Detailed departmental Draft Budgets and Long-term Plans submitted to Finance for review & preliminary consolidation
October	<ul style="list-style-type: none">• Review of departmental Draft Business Plans• Develop Draft Long-term Financial Plans by department and consolidated financial model
November	<ul style="list-style-type: none">• Review Draft Budgets at Standing Committee meetings• Finalize Business Plans and Draft Budgets• Consolidate Draft County Budget and Long-term Financial Plan
December	<ul style="list-style-type: none">• Post budget documents on website for public review• Council Draft Budget Meetings/Deliberations
Ongoing	<ul style="list-style-type: none">• Financial reporting• Review for efficiencies, savings and funding opportunities

LTFPF Transparency



- Master Plans derived with public and stakeholder consultation embedded within financial model
- Stakeholder engagement
- Draft budget and long-term plan posted on website for public review
- Departmental business plans and Budget Issue Papers posted on website
- Monthly Financial Results presented to Finance and Audit Committee
- Quarterly Financial Results provided to Standing Committees and Council reporting actual performance vs. budget
- Finance staff available throughout the year
- Formal Annual Reports highlighting financial performance

LTFPF Transparency - Stakeholder Engagement



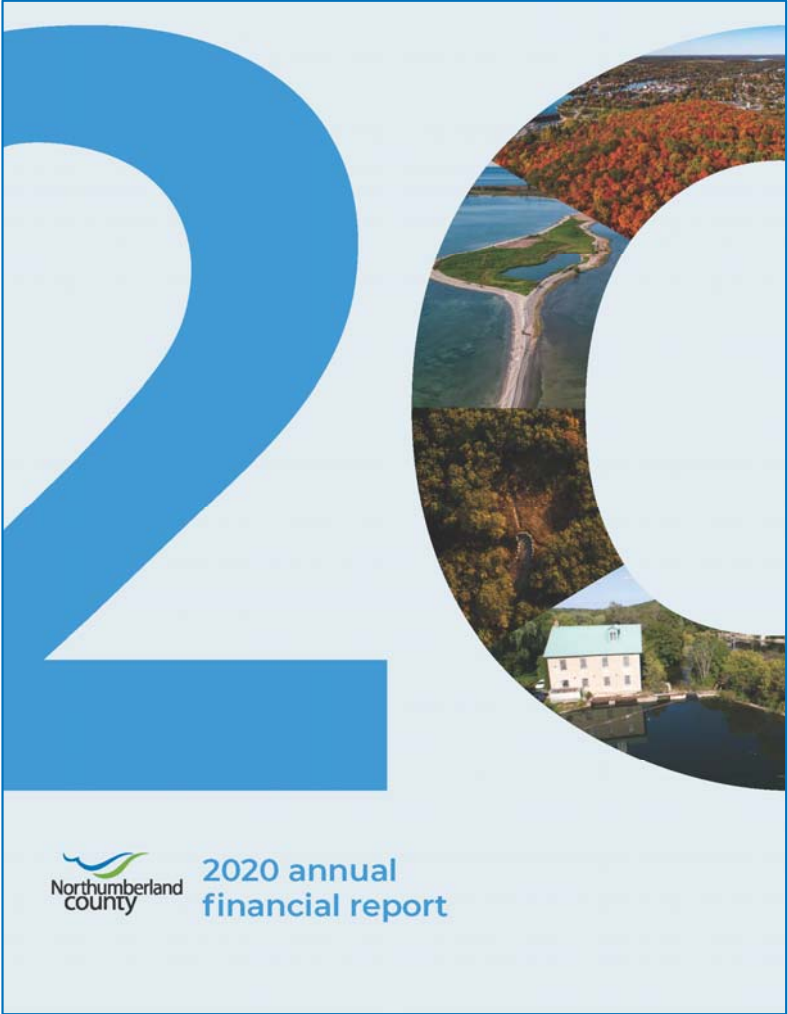
- Communications & Community Engagement Plan for:

- Informing
- Educating
- Consulting



- Budget simulation tool pilot – Balancing Act
- Stakeholders prioritize program, service, and infrastructure investments while learning about the associated service impacts
- Results reported to Finance & Audit Committee / Council in October for guiding budget and long-term financial planning decision making
- 77 people completed the simulation tool and provided additional comments

LTFPF Transparency - Reporting

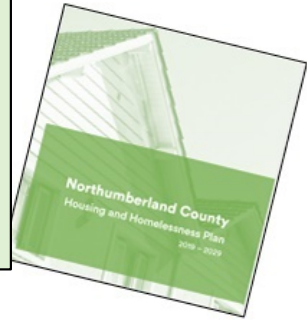
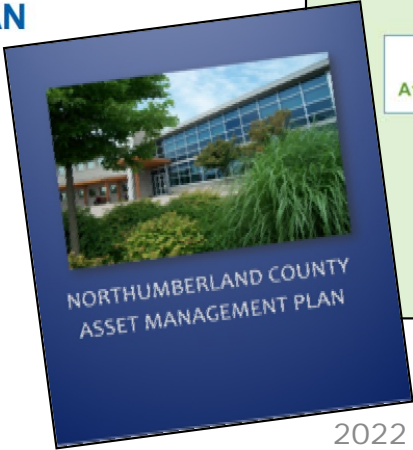
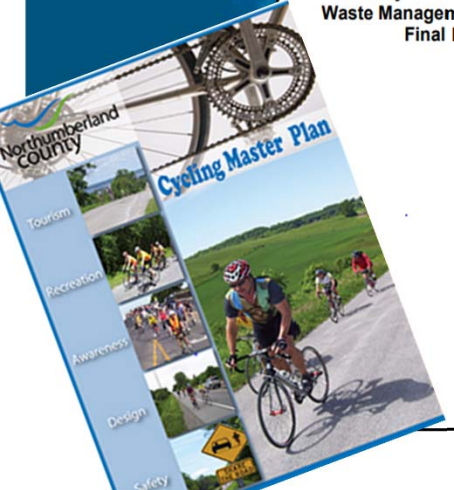
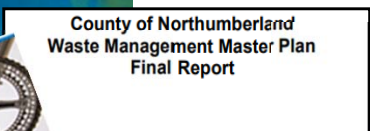
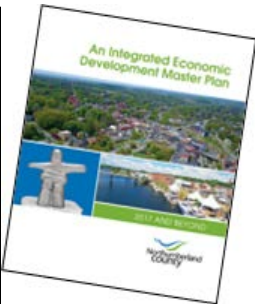
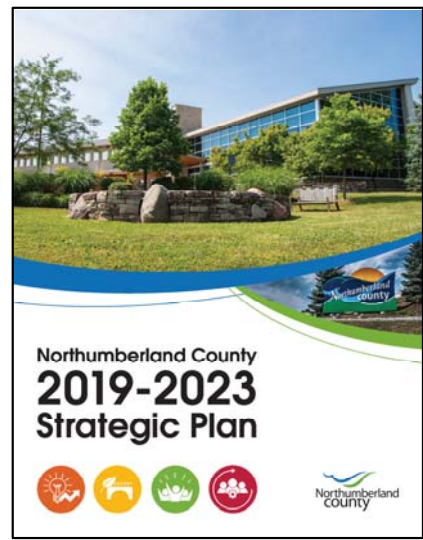




LTFPF Inputs

- Stakeholder consultation
- Strategic Plan
- Master Plans
- Economic indices
- Council recommend target base levy increase
- Provincial legislation changes / funding models on mandatory programs
- Asset Management
- Service Levels (taxpayer/resident/client needs)

LTFPF Inputs – Long-term Plans





LTFPF Target Levy Rate

- Consistent modest levy increases over time
 - Limits volatility, strategic
- Committee / Council 1.5% target levy increase for 2022 and Dedicated Infrastructure Levy (DIL) calculated at 1% of prior year levy
- Council approved 2.7% base levy increase for 2023-2031 Long-term plan
- Dedicated Infrastructure Investment
 - Dedicated Infrastructure Levy (Campbellford Bridge)
 - Annual Transportation Construction Program





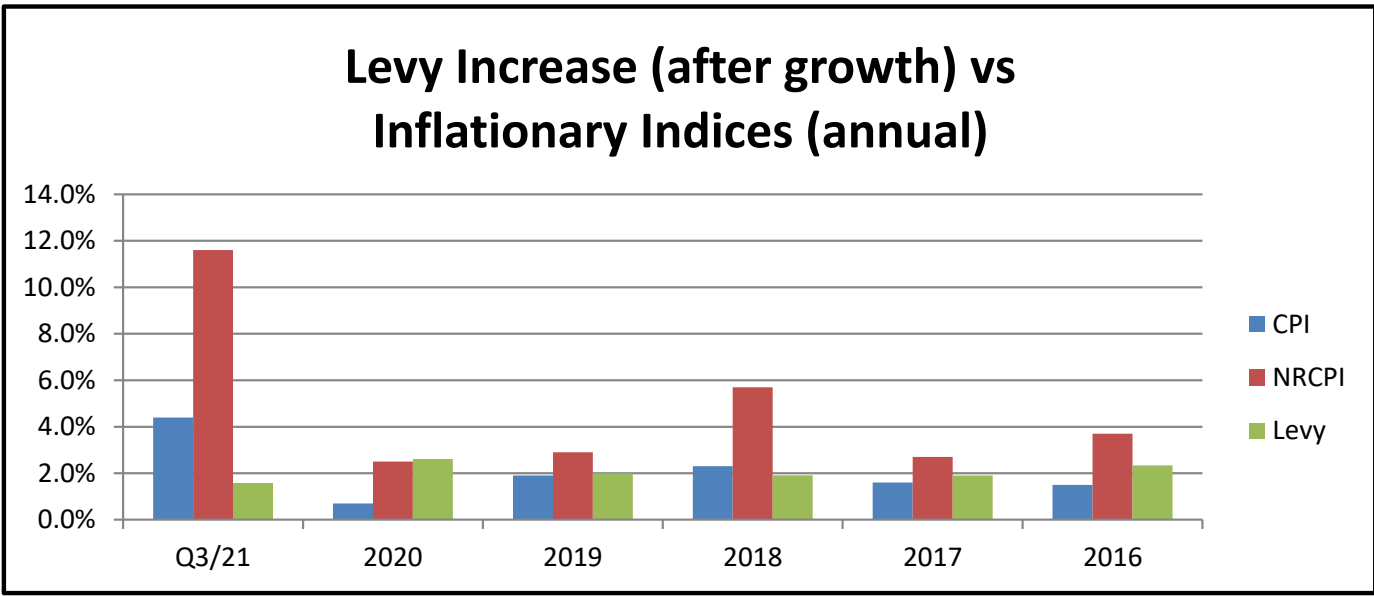
LTFPF Target Levy Rate- Inflationary Indices

- Various indices reviewed under framework for setting target
- Levy rate considers weighting for types of expenditures
- Consumer Price Index (CPI)
 - Bank of Canada (BOC) targets 2.0%
 - Year-over-year October 2021 **4.7%** (headline index) fastest acceleration in 18 years
 - Excluding gasoline 3.3%
 - BOC expects CPI to remain elevated into next year
 - Overall annual inflation forecast 2022 to average **~3.3%**.
- Non-residential Building Construction Index
 - Measures price changes for construction materials and skilled/unskilled labour
 - Year-over-year Q3 2021 **11.6%** (GTA)



LTFPF Target Levy Rate- Inflationary Indices

- Need to consider inflation based on mix of goods and services purchased by the County
 - Not keeping pace with overall inflationary pressures
 - Erosion of capital base budget
 - Compounds on infrastructure deficit
 - Higher NRCPI has impacted recent construction tenders likely further cost escalations to be realized



Responsible Taxation

Responsible Taxation - Unrealistic Targets

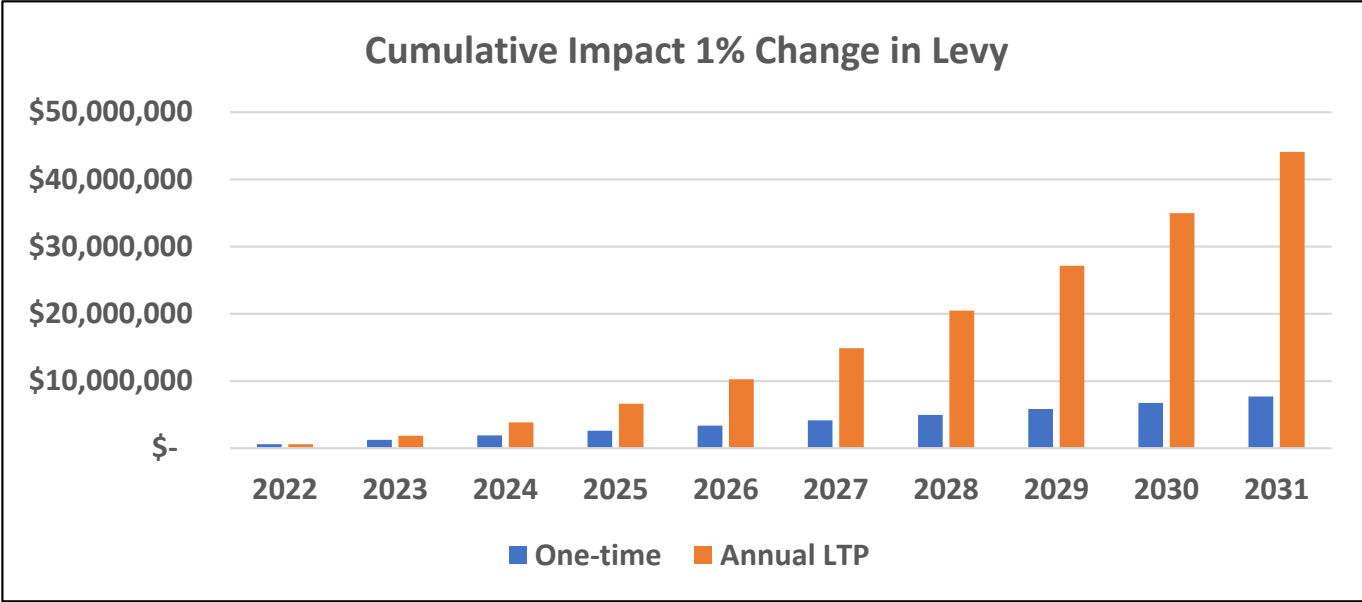


- Defer capital projects
 - Increased maintenance costs
 - Reduction in service levels
- Reduce reserve contributions / Deplete existing reserves
 - Less flexibility for unplanned events
 - Reduced savings for future projects
- Increase debt
 - Limits future options for funding projects
 - Funds committed to repayment well into the future
- Strategic plan demands a corporate culture of finding operating efficiencies

Responsible Taxation - Unrealistic Targets



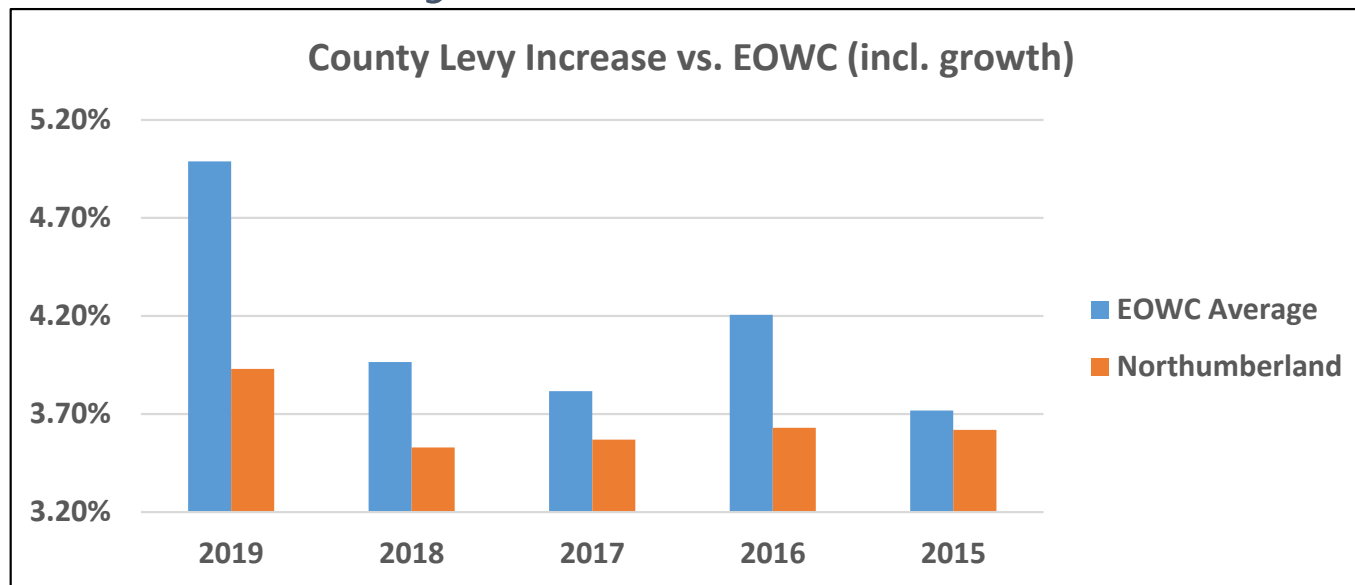
- Cumulative loss of financial capacity in long-term plan from a 1.0% target levy reduction
 - One-time reduction cumulative; **\$7.7M**
 - Annual reduction in long-term plan cumulative; **\$44.1M**
 - Taxation decrease to median home **~\$12.19** (est. 2022)
 - Large proportion of County budget non-discretionary tied to mandatory service and program delivery



Responsible Taxation - Comparator Levy Increases



- Northumberland total levy increases less than Eastern Ontario upper tier average over past 4 years
- Not keeping pace with needs as identified by comparator group
- 7 of the 12 polled municipalities have a dedicated infrastructure levy



Northumberland 2016 levy increase adjusted to remove impact of transitioning Fire Dispatch services from lower-tier municipalities

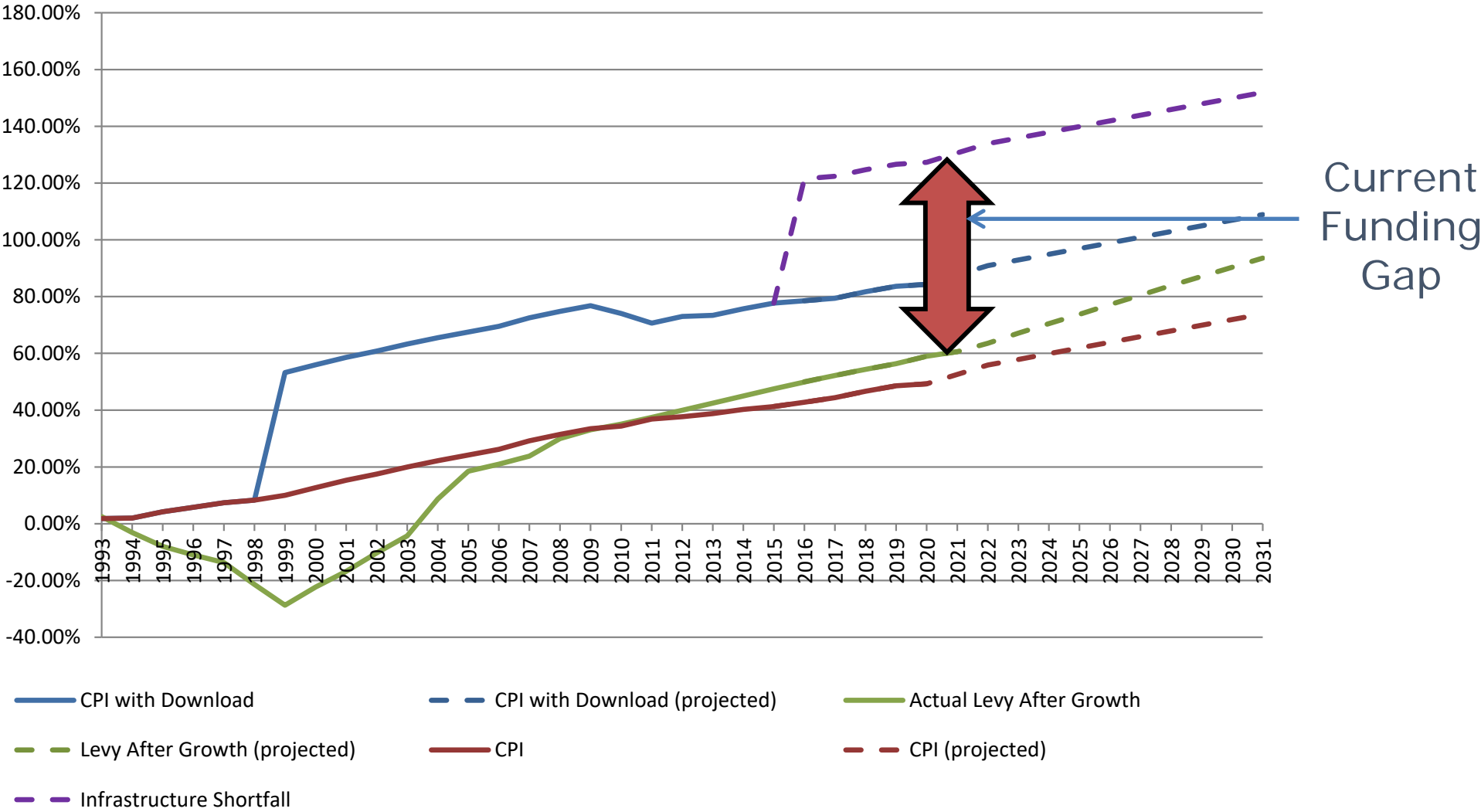
2022 Budget & Long Term Plan Overview

Overview – The History



- Prudent & strategic financial decisions since 2001
- Financial lessons learned from the past (1990s)
- Rebuilt budget while delivering existing services and downloads
- Cost effective ways to implement needed service improvements
- Challenge to meet expectations and minimize levy
- Remain focused on today & the future

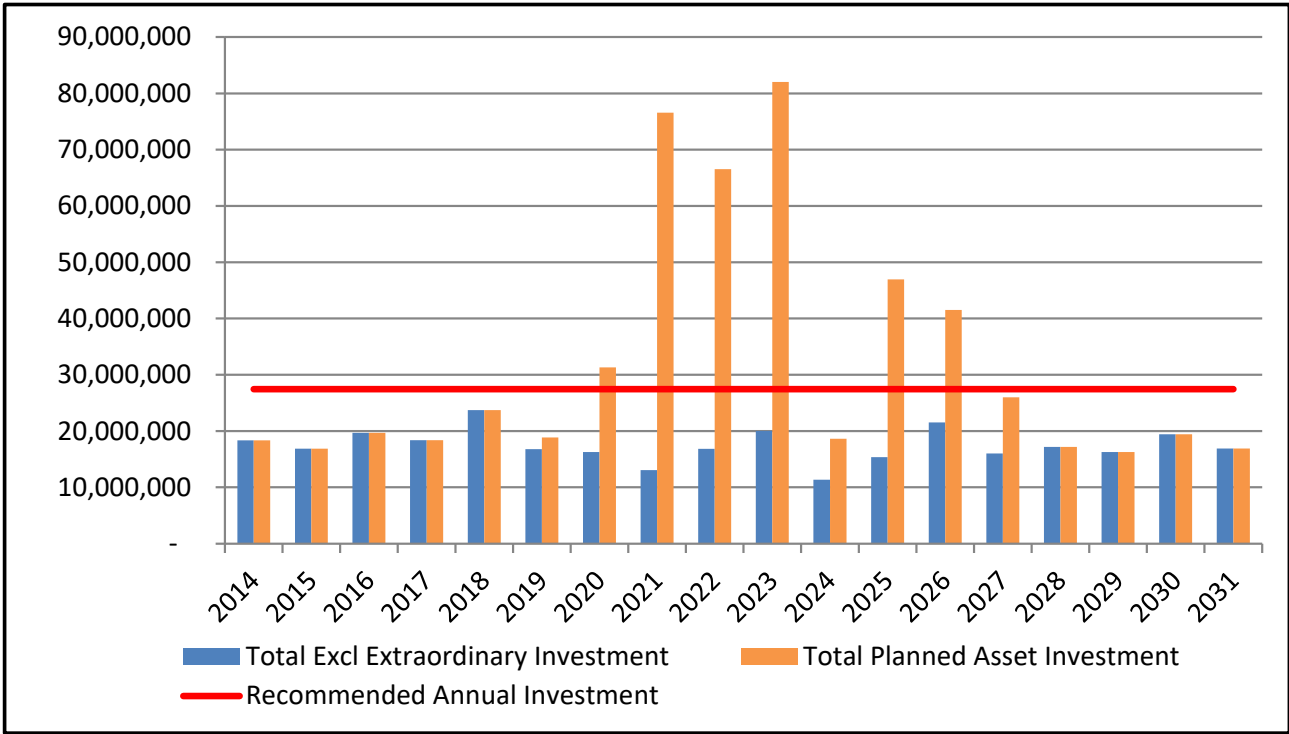
Overview – The History



Focus on the Future



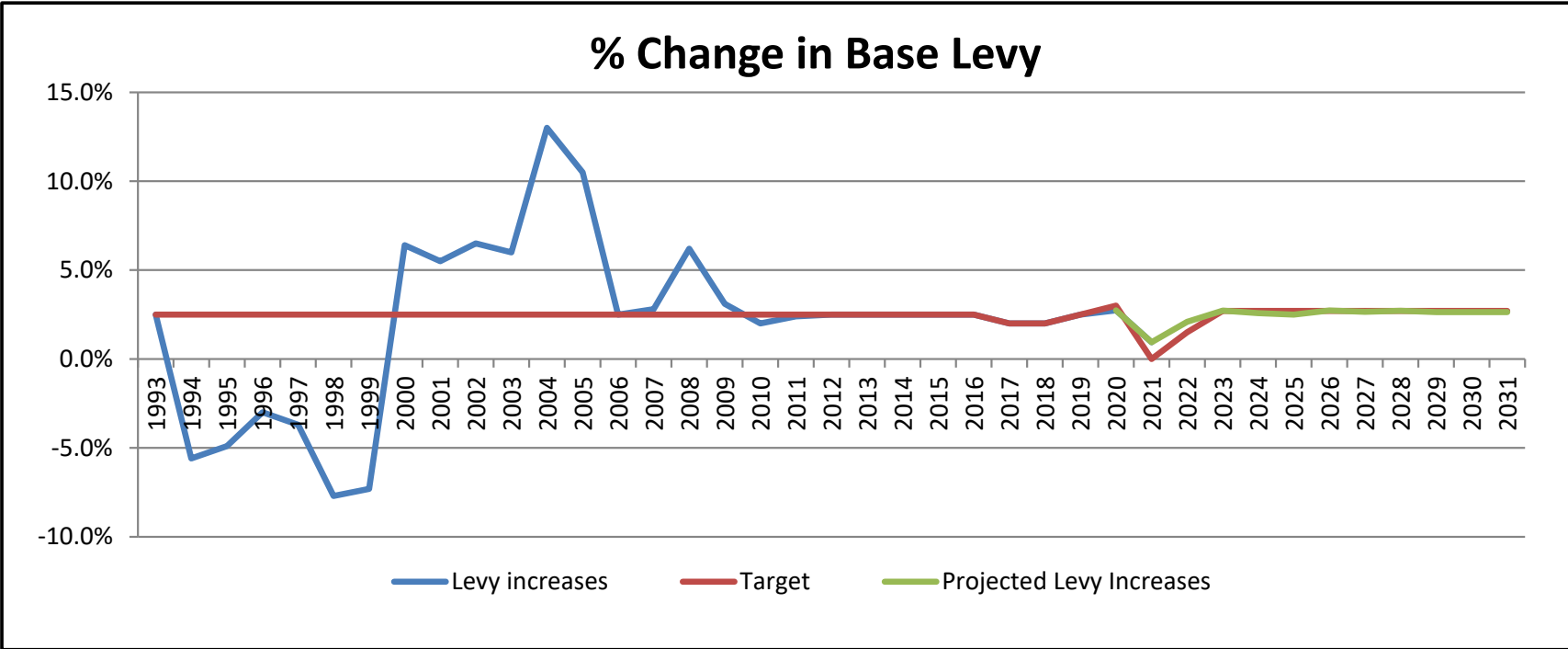
Capital Investments vs Asset Mgmt Plan
Investment Target



- AM Plan estimates \$27.4M needed annually
- County-wide DC's:
 - Reduces debt and reserve financing large projects (ex. GPL Redevelopment)
 - Expands financial capacity Transportation Construction
 - Levy savings other capital investments (ex. Paramedics fleet)
- Need to:
 - Continue to ramp up capital budgets
 - Continue to contribute to reserves
 - Continue to assess inflationary pressures

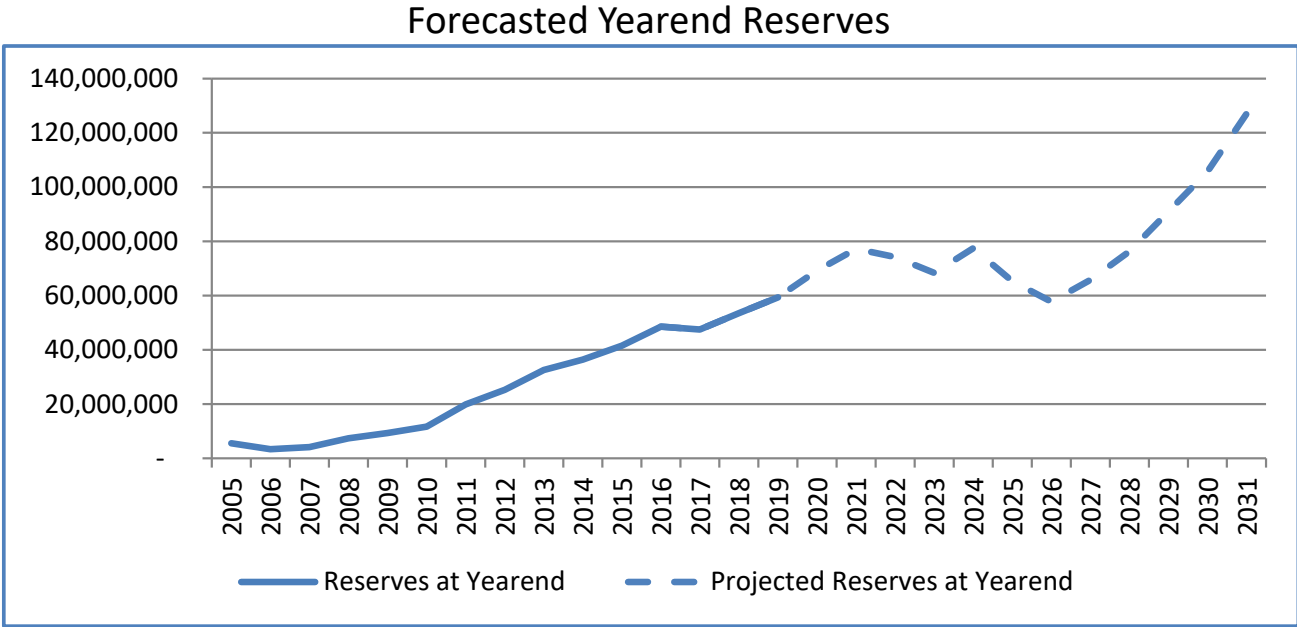


Funding the Future



- Primarily stable levy increases over past 10 years
- Years of insufficient levy increases compound in long term plan as base moving forward in future years
- 10 year plan requires increases above 2.7%
- Dedicated capital levy introduced in 2016 to begin to address infrastructure gap
- Continued annual \$500K additional levy financing towards Transportation Construction Program for dedicated infrastructure investment

Reserve Trend – 2005 to 2031

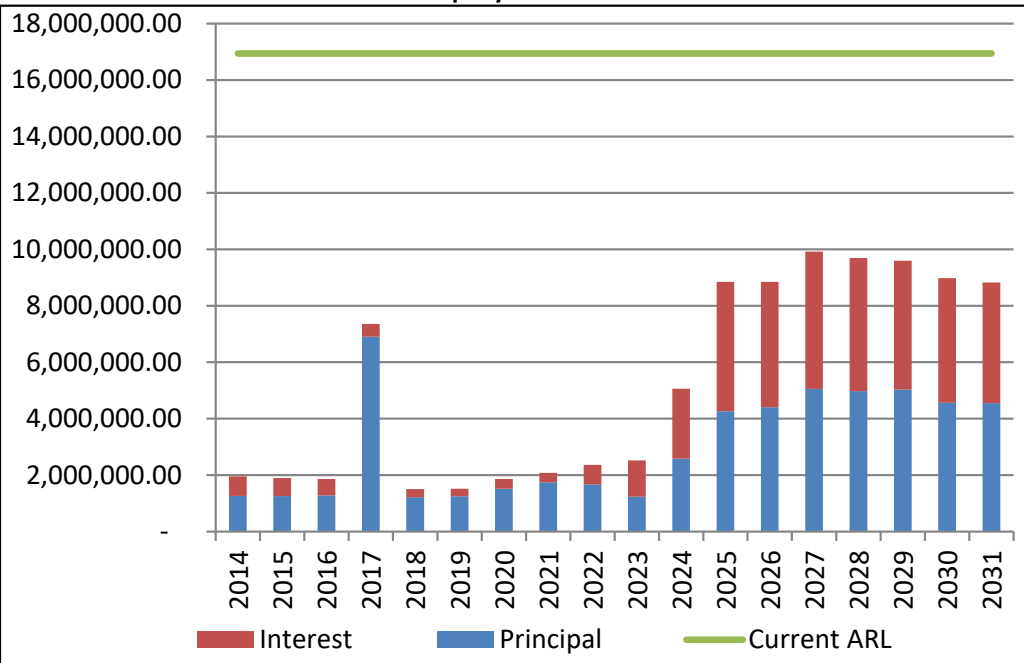


- Utilization over next 10 years for financing large projects and rate stabilization
- Reserves will fluctuate as drawn upon for intended usages
- Projected reserve balance will be depleted in 2026 to equivalent of comparator average before gaining ground again towards financing future needs
- New County Reserve Policy approved 2021 for managing reserves
- Consistently building into operating budgets
- Contributions are aligned to priorities in AM Plan
- AM Plan, Master Plans identify significant future needs
- Future landfill closure/post closure liability \$28.8M (2020) unfunded

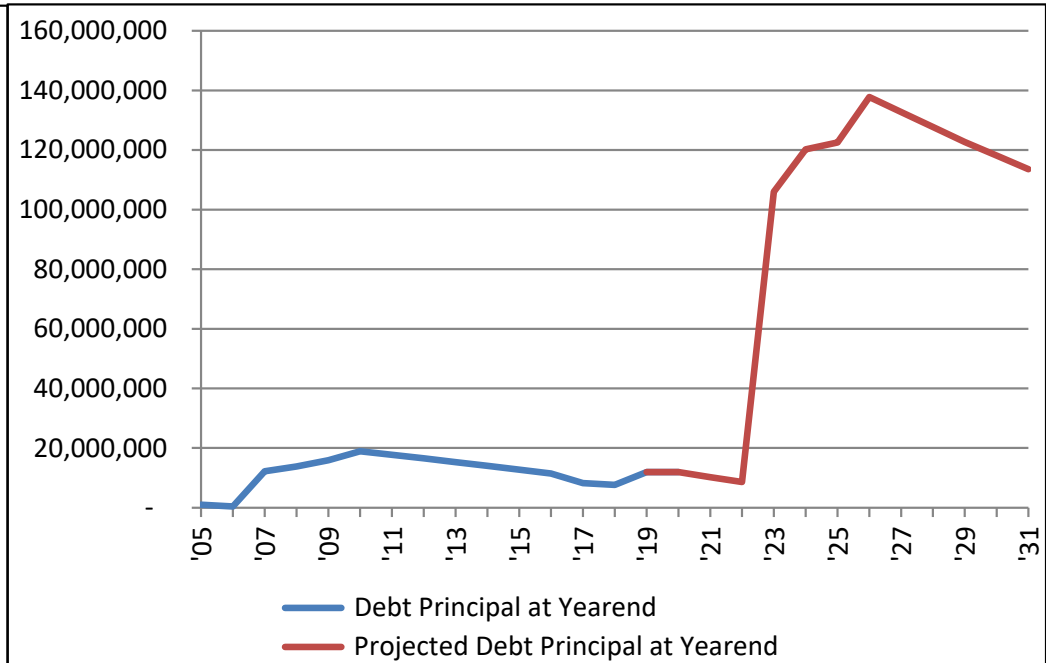


Long-term Debt

Debt Repayment Schedule



Forecasted Yearend Debt



- Currently well below the Annual Repayment Limit (ARL) \$16.9M
- Debt servicing costs will reach upper thresholds set by many municipalities
- 2022 repayment will be \$1.7M principal, \$0.7M interest
- Will take on new debt in the next few years increasing debt utilization, expect favourable interest rates
 - GPL Redevelopment
 - Elgin Park Redevelopment
 - Placeholders Social Housing Expansion Projects, Brighton Paramedic Base, Consolidated Operations Facility

Economic Outlook



- Canadian economy anticipated to grow ~5% 2021
- Expected 4.25% and 3.75% 2022 and 2023, respectively
- COVID-19 continues to create significant uncertainties
- Household savings increased during pandemic – consumer deposit balances rising ~14%; however, affordability a challenge for many with increased inflation
- Heightened consumer demand combined with global supply chain issues driving inflationary pressures
- Inflation rising at fastest rate in 18 years; CPI 4.7% / exclude gas 3.3% / 2022 forecasts ~3.4%
- Non-residential Building Construction Index at the 3rd quarter 2021 GTA 11.6%
- BOC overnight interest rate remains at its lower bound of 0.25% for stimulating economic recovery
- Increases anticipated early/mid-2022

2022 Opportunities and Challenges



- Opportunities

- Paramedicine Subsidy placeholder -\$3M
- Waste Transfer from Reserve debt savings -\$534K
- Paramedics Subsidy -\$400K
- MRF Revenues -\$270K
- Wage Gapping -\$200K
- GPL Revenues -\$63K
- MRF Equipment Repairs -\$50K

- Challenges

- New waste collections contract -\$700K
 - Corp Reserve stabilization 2021
- Health Unit -\$127K
- Insurance -\$122K
- WDO Funding -\$50K
- Bag Tag Revenue -\$50K
- Timber Revenue -\$50K



2022 Opportunities and Challenges



- Issue Papers levy impact \$1.1M
- Uncontrollable/committed items imbedded in budget equates to a **2.9%** levy increase:

2022 Uncontrollable / Committed Unfavourable Items	\$ (000's)	% levy	Comments
Year 2 Impact of New Waste Collection Contract (2 Year Rate Stabilization from Reserve)	700	1.2%	Commitment - Contract
Health Unit Increase	127	0.2%	Uncontrollable
Insurance Increase	122	0.2%	Uncontrollable
2021 New Positions Annualized (IT Security Specialist)	60	0.1%	Commitment - prior year
Salaries and Benefits; Union and Non-Union increases and Benefits (est.)	700	1.2%	Uncontrollable - union contracts and pending settlements
Total Uncontrollable / Committed	1,709	2.9%	

2022 COVID-19 Impacts



- COVID-19 factors primarily not impacted for in budget
- Status quo budget not impacting on levy will allow for utilization of possible funding for identifiable budget challenges
- Remaining Safe Restart funding first source of funds
- Utilization of staff training savings and reserves as last resort
- Possible areas for impacts
 - GPL and Paramedics staffing, PPE, cleaning/sanitization
 - Community and Social Services emergency sheltering, non-profit housing supports
 - NCHC cleaning/sanitization, rental revenues with rent freezes
 - POA reduced fines revenues
 - Finance reduced interest revenues
 - Facilities cleaning/sanitization, building alterations/modifications
 - Transportation backfill for critical operations
 - Land Use Planning permit and planning fees
 - Corporate Services organizational PPE, cleaning/sanitization supplies, OPP Forest patrols, staff isolation costs



2022 Budget Details

- Key capital projects & purchases include:
 - GPL & NCAM Redevelopment
 - Elgin Park Housing Redevelopment
 - Ontario St. Housing Development - Design
 - LHC and Corporate facilities projects
 - Roads and Bridge work
 - Equipment Transportation, Waste & Paramedic Depts.
 - Paramedicine capital placeholder pending funding
 - CRC scale house replacements – Design
 - Residual Waste E.A.
 - Reviewing options for interjurisdictional bridge works





Draft 2022 Budget

- Proposed levy increase after growth and hospital funding is 3.0%
 - Base levy increase of 2.1% (target 1.5%)
 - Dedicated Infrastructure Investment 0.9%
- Growth estimated at 1.7%
- Hospital funding 0.4%
- Uncontrollable / committed unfavourable items impact 2.9%
- Total levy \$63.4M
- Supports priorities in 2019 – 2023 Strategic Plan
 - Maintains existing programs and services
 - Supports shared services
 - Funds immediate capital needs
 - Invests for the future

Dedicated Infrastructure Investment



- DIL introduced in 2016 continues in 2022 to address the Infrastructure Gap
- Based on 1.0% of 2021 base levy
 - Total \$597K in 2022
 - Allocated to the Bridge reserve in 2022
- DIL increases modestly in long-term plan
 - 2023 - \$634K
 - 2024 - \$662K
 - 2025 - \$688K
 - 2026 - \$726K
- Long-term plan includes annual incremental increase \$500K levy Transportation Construction Funding

Draft 2022 Budget (Cash)



Draft Cash Budget Summary

Operating expenses	\$107.5M
Capital	\$65.3M
Debt Principal Repayment	\$1.7M
Change in Reserves	<u>\$1.4M</u>
	\$175.9M
Grants & Subsidies	\$47.4M
Other Non-levy Revenue	\$20.5M
Debt/Construction Financing	<u>\$44.7M</u>
Levy	\$63.4M

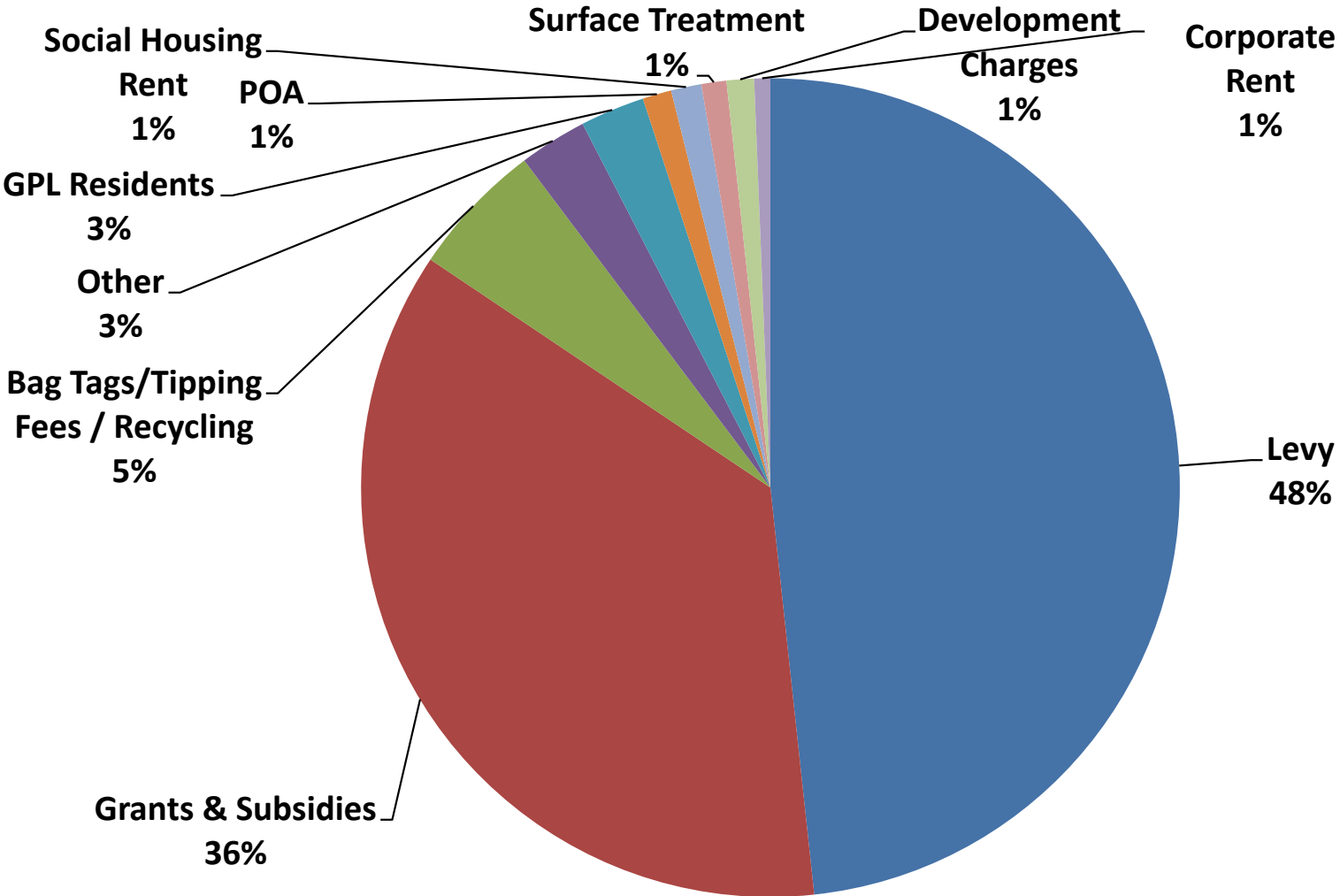
Draft 2022 Budget (Accrual)



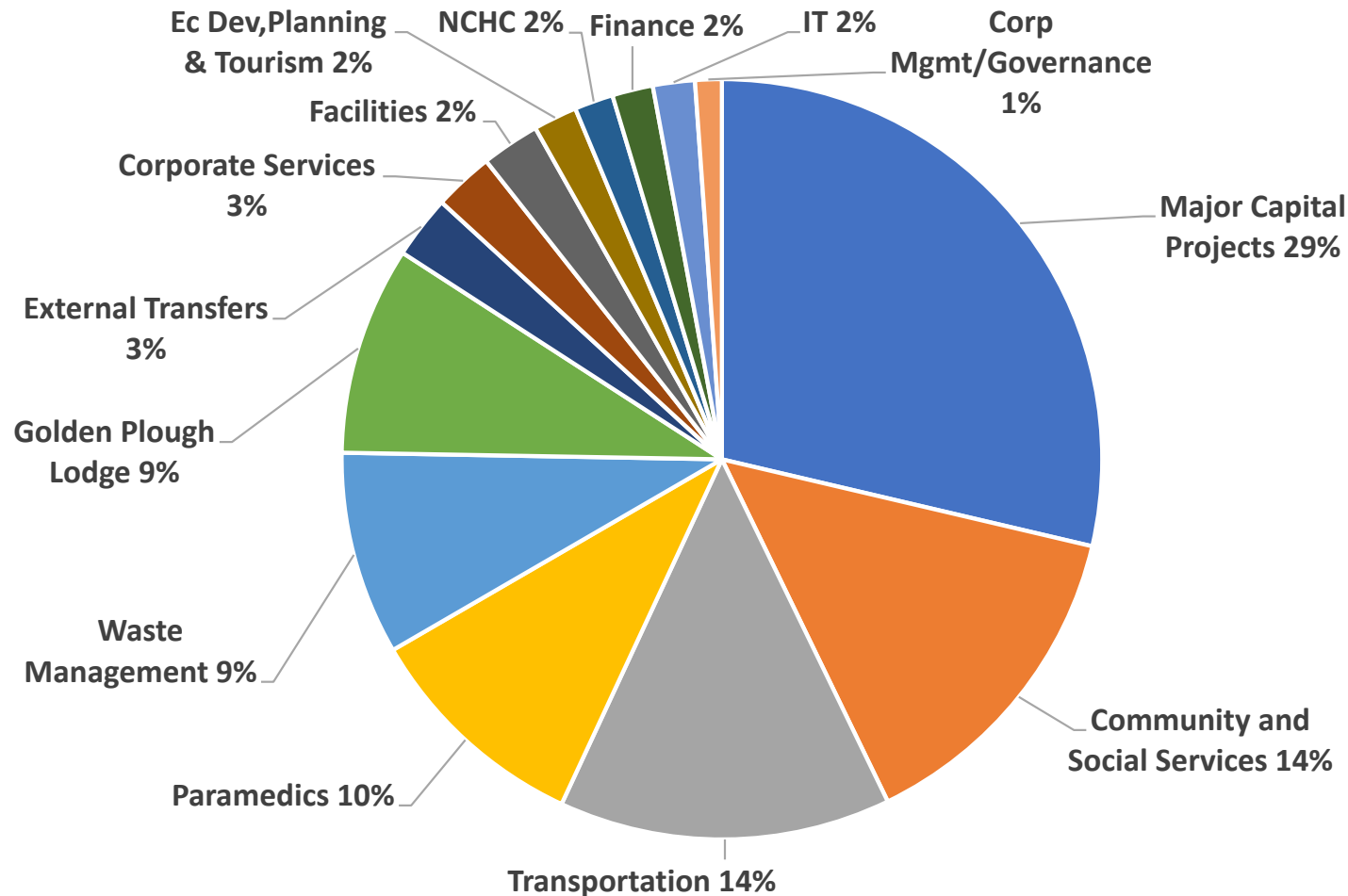
Draft Accrual Budget Summary

Cash based budget	\$175.9M
Less:	
Debt Principal Repayment	\$1.7M
Capital Purchases	\$65.3M
Debt/Construction Financing	\$44.7M
Add:	
Amortization	\$9.4M
Future Employee Benefits	\$0.4M
Landfill Post-Closure Liability	<u>\$0.6M</u>
Accrual based budget	\$74.6M

How is 2022 Budget Funded?

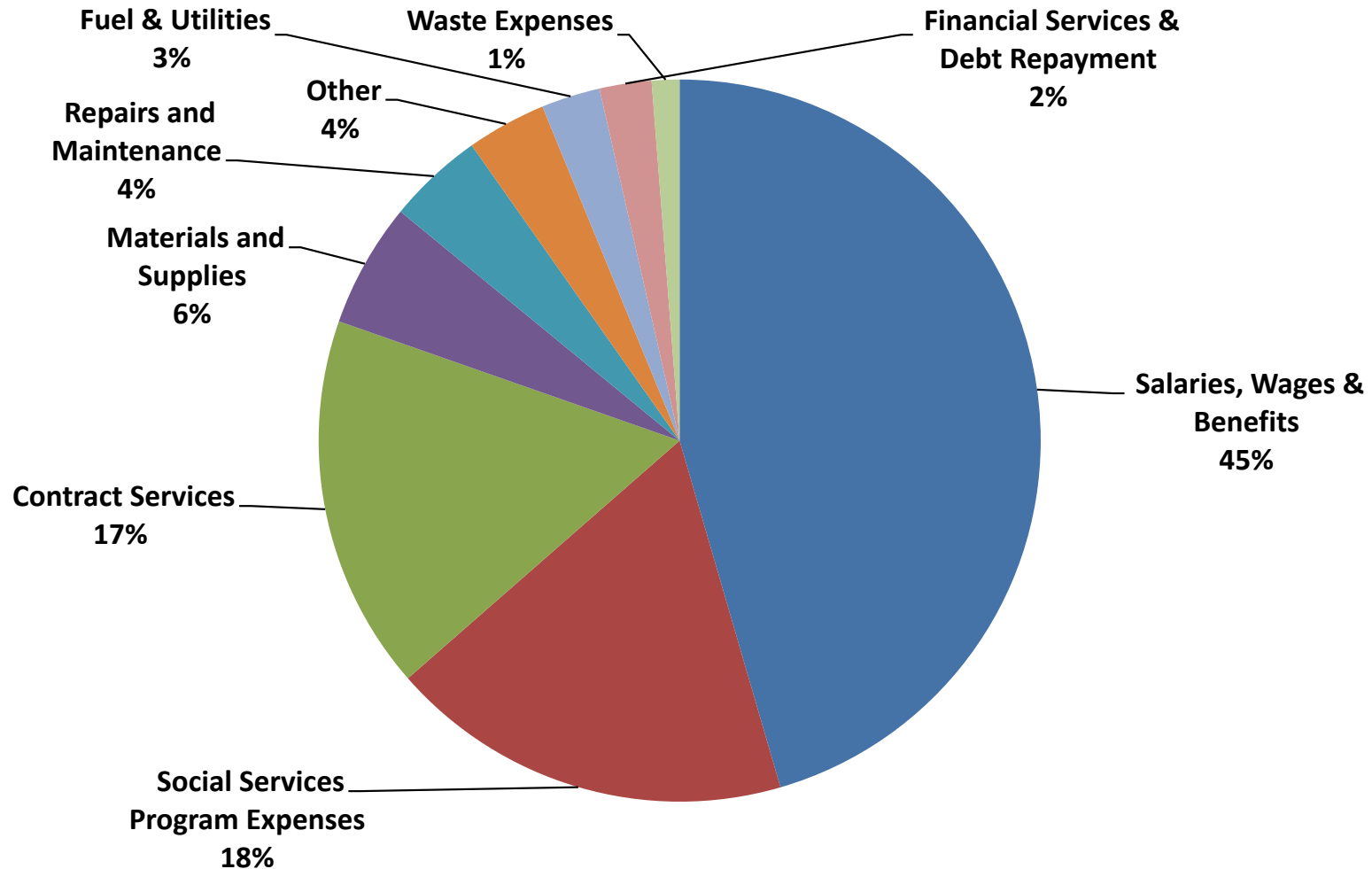


How is 2022 Budget Allocated?

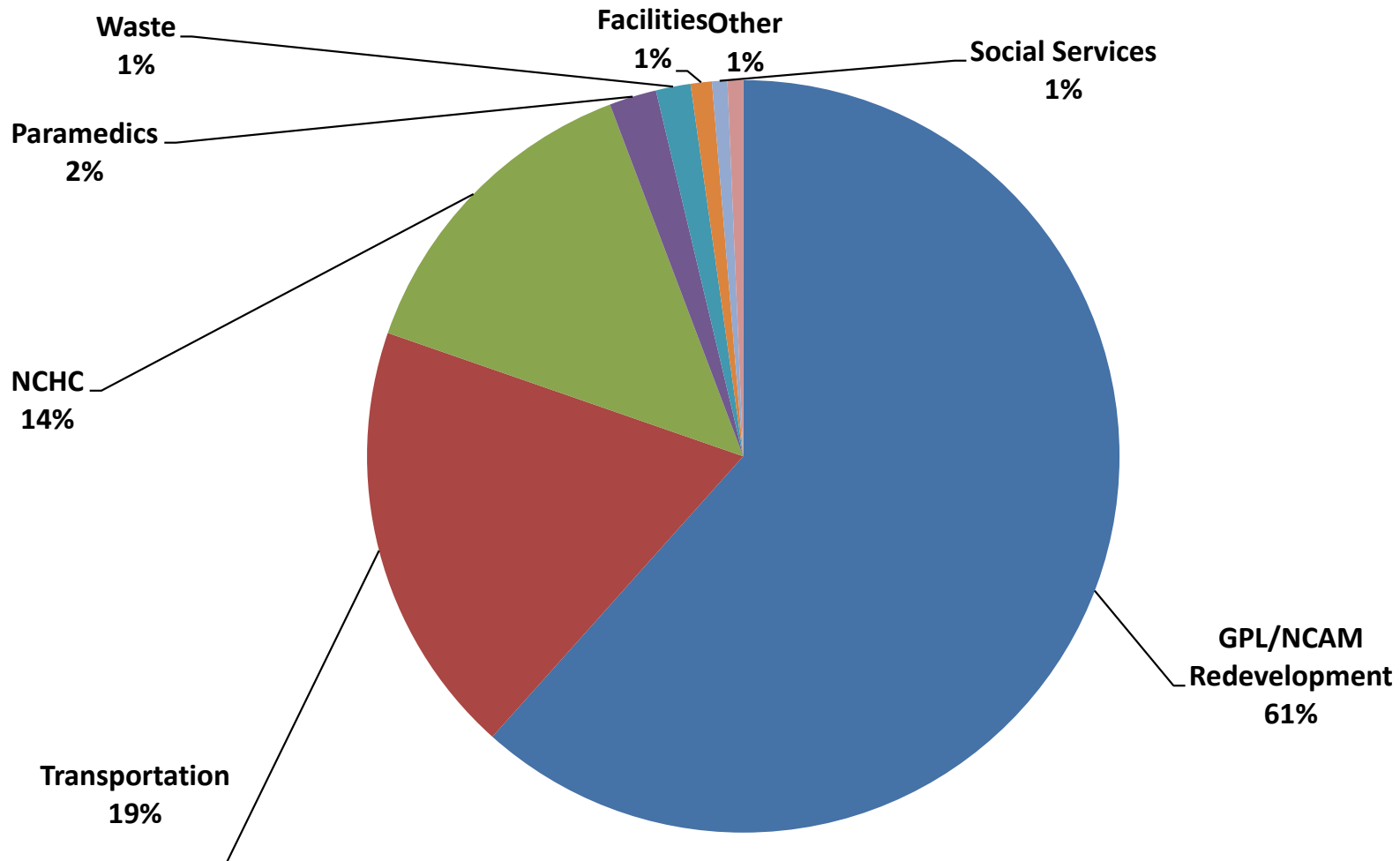


Note: Operating, capital and debt servicing costs excluding internal charges

How is 2022 Operating Budget Allocated?



How is 2022 Capital Budget Allocated?





Tax Rate Impacts

Estimated Residential Tax Rate



2021

$$.004787172 \times \$259,000^* = \mathbf{\$1,239.88}$$

2022

$$.004945013 \times \$259,000^* = \mathbf{\$1,280.76}$$

Increase for the average home will be \$40.88

- Average home value represents MPAC Current Value Assessment (CVA) data
 - CVA is used for annual property tax billing calculations (not market values)
 - CVA represents valuation dates of January 1, 2016
 - MPAC assessment update has been postponed again (typically all properties updated on 4-year cycle). Property assessments for the 2022 and 2023 property tax years will continue to be based on January 1, 2016 CVA.

* Median home value in Northumberland County per MPAC based on single family detached home.

The analysis above is based on preliminary assessment roll and 2021 existing tax policy which are subject to change.

Departmental Overview and Issue Papers

Public Works Department



Transportation

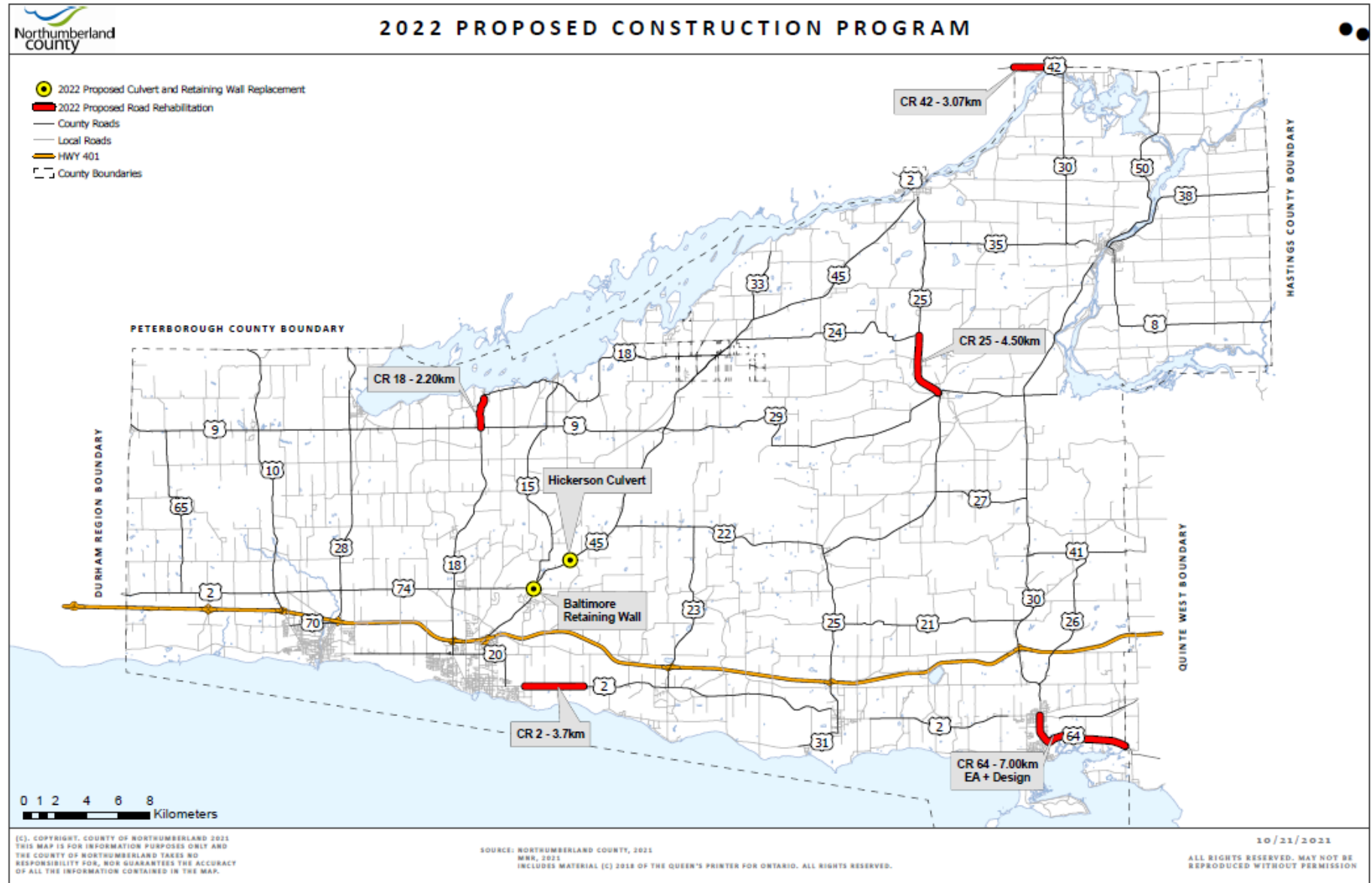
(k\$)	2021	2022	Change
Revenue			
Levy	18,802	19,262	2.4%
Gas Tax	2,949	4,599	56.0%
Grants	0	751	-
Other	2,906	2,862	(1.5%)
	24,657	27,474	
Expenditures			
Construction	13,308	15,281	14.8%
Winter Maintenance	2,764	2,675	(3.2%)
Buildings & Equipment	2,106	2,182	3.6%
Other Operating	6,508	6,639	2.0%
Reserves	(29)	697	(2503.4%)
	24,657	27,474	

State of the Road System

2020 PCI Road Needs – System Adequacy

	PCI Rating	2003 KM	%	2006 KM	%	2008 KM	%	2010 KM	%	2012 KM	%	2014 KM	%	2016 KM	%	2018 KM	%	2020 KM	%
Adequate	> 85	121.9	24%	245.2	49%	255.4	51%	280.0	56%	287.6	57%	272.1	54%	305.2	62%	316.7	63%	266.7	54%
6 to 10 Years	76 to 85	152.3	30%	86.1	17%	67.5	13%	76.8	15%	74.7	15%	79.9	16%	83.6	17%	84.1	17%	127.2	26%
1 to 5 Years	56 to 75	209.3	42%	119.9	24%	132.6	26%	113.8	23%	85.4	17%	64.6	13%	29.3	6%	44.8	9%	76.3	15%
NOW - Rehabilitate	1 to 55	19.5	4%	51.5	10%	47.7	9%	32.8	7%	55.5	11%	86.5	17%	75.7	15%	49.0	10%	24.9	5%

2022 Proposed Construction Program



Transportation Issue Papers

	Issue Paper	Amount	Funding
#1	Equipment Replacement Strategy	\$710,000	Levy – Base
#2	Transportation Funding Strategy	\$500,000	Levy - New

Equipment Replacement Strategy

- The County has approximately 70 pieces of equipment for road maintenance and construction including snowplows, graders, loaders, backhoes, and pick-up trucks
- Total replacement value of roads fleets is over \$11 Million
- Strategy has been updated for 2022 to reflect the current state of the fleet, the amount being spent on maintenance and repairs of older fleet, as well as the impact of inflation on the cost of new vehicles



- It is recommended to replace light trucks every 5 years, heavy trucks every 10 years, and off-road equipment approximately every 20 years for a total annual need of \$800,000 over the next 10 years
- The current base budget is \$650,000 and it is recommended to increase the budget by \$50k/year until the target is reached
 - Adjusted for in this Issue Paper

Equipment Replacement Strategy

Financial Impact

In 2022, it is proposed to replace:

- Two (2) Tandem Combination Snowplow Units – \$670,000
 - (VO62) 2009 Sterling Tandem Combination Snowplow unit - \$335,000
 - (VO68) 2008 Sterling Tandem Combination Snowplow unit - \$335,000
- One Asphalt hot box - \$40,000
- Total 2022 Impact: \$710,000 (Base Levy)



Transportation Funding Strategy

- Continuation of multi-year budget strategy
- Supports road and bridge rehabilitation and maintenance, safety measures & growth-related impacts
- Includes recommendations from the Transportation Master Plan, traffic studies and various Environmental Assessments (EA's) completed over the past few years
- Construction target based on identified needs \$20.5M; the 2022 base budget is \$11.1M

Area	Description	Annual Need
Road Rehabilitation and Maintenance	Paving, surface treatment, crack sealing, microsurfacing, reconstruction of 503 km of County Roadway	\$13.7M
Traffic Safety Measures	Maintenance and upgrades to roadside safety devices, traffic signals and signage and other traffic safety initiatives	\$1.07m
Bridge Rehabilitation and Maintenance	Rehabilitation and replacement of 112 structures over 3 m span, 19 retaining walls and thousands of smaller culverts	\$2.4M
Service Expansion	Growth related improvements as a result of master plans, EAS, development, etc.	\$3.3M
TOTAL		\$20.5M

Transportation Funding Strategy

- As a result of budgetary levy pressures, the base budget has only increased by \$950,000 since 2018, which is \$1.0M less than previously forecasted
- Continues to be uncertainty with OCIF formula funding for 2022 and beyond (~\$750k/year) which further impacts annual funding

Financial Impact

- 2022: \$500,000 – New Levy



Waste

(k\$)	2021	2022	Change
Revenue			
Levy	7,883	7,837	(0.6%)
MRF	730	1,000	37.0%
Bag Tags & Tipping Fees	5,937	5,825	(1.9%)
Subsidies & Other	1,566	1,554	(0.8%)
	16,116	16,216	
Expenditures			
Collection	5,598	5,657	1.1%
Landfills & Transfer Stations	4,057	4,176	2.9%
MRF	2,873	2,786	(3.0%)
Capital	1,400	975	(30.4%)
Other Operating	2,409	2,483	3.1%
Reserves	(221)	139	(162.9%)
	16,116	16,216	

Waste Issue Papers

	Issue Paper	Amount	Funding
#1	Equipment Replacement Strategy	\$605,000	Waste Reserves
#2	CRC Scale House Replacements	\$100,000	Waste Reserves
#3	Change in HHW Disposal Services	(\$30,000)	N/A – Operational Savings

Equipment Replacement Strategy

- The County's Waste Services Division uses a fleet of approximately 30 pieces of mobile equipment for the operations of its CRCs and the MRF
- The estimated replacement value of these vehicles and equipment is \$8 million
- The Division has developed a sustainable equipment replacement strategy which allows for timely replacement of the equipment and vehicles
- The 2022 Waste Services Division Budget has identified the replacement of the following items:
 - Replacements of a 2007 and 2010 Backhoe with Front-end Loaders \$550K (of which \$200K was already put aside in reserves); and
 - Purchase of a Pick-up Truck for the Bewdley CRC \$55K

Financial impact

- 2022 Impact: \$605,000 Waste Reserves
 - Extraordinary year major equipment



Equipment Replacement Strategy

Backhoe Replacements:

- Currently use Backhoes at CRCs for numerous daily activities (primarily compaction of waste in roll-off bins, turning compost piles and clearing snow)
- Have found these to be undersized for their use and are therefore prone to frequent costly breakdowns
 - Currently doing assessment to determine “right” piece of equipment for the intended uses

Pick-up Truck for Bewdley CRC:

- Dedicated CRC Attendants oversee HHW program and ensure on-site diversion programs are being used by patrons
- As part of duties, CRC Attendants must traverse the entire site to inspect compliance of diversion programs
- If wrong items are found in certain waste or diversion areas, CRC Attendants manually remove the items and transfer them to the right area
- To efficiently and safely complete this task, staff require a truck to transport these items to their appropriate locations

CRC Scale House Replacements – Design / Approvals

CRC Scale Houses:

- Existing Scale Houses at Brighton, Bewdley and Seymour CRCs are in excess of 15 years old
- Scale Houses are modular/light weight buildings
- Buildings are currently in very poor condition. Floor sections have been replaced on multiple occasions. Window seals are failing, and door jams have had to be replaced as well. Maintenance costs continue to increase.
- More economical to replace the buildings versus maintenance and repair costs



Bewdley CRC:

- Requires an additional set of weigh scales and an additional scale house building
- Usage at this site has increased by 69% between 2013 and 2019
- Demand leads to traffic back-ups on Cty. Rd. 9 and customer frustration
- A third set of scales would enable vehicles to be processed quicker – reducing lineups and wait times

CRC Scale House Replacements – Design / Approvals

- Requesting \$100K to retain a consultant to:
 - Develop detailed designs for replacement of existing Scale House Buildings
 - Develop detailed design of additional Scale House Building and Scale at Bewdley CRC
 - Apply for necessary approvals
- Staff would seek separate Council approval, during 2023 budget deliberations, for the actual replacement of the existing Scale House Buildings and the construction of an additional set of scales and Scale House Building at the Bewdley CRC

Financial Impact

- \$100,000 – Waste Reserves



Change in Household Hazardous Waste Disposal Services

- Historically County has operated 4 HHW Depots (Bewdley, Brighton, Cobourg and Seymour)
- Now accept HHW year-round, 3 days per week at Brighton and Bewdley CRC (total of 312 days a year)
 - Bewdley CRC – Tue., Thur. and Sat.
 - Brighton CRC – Mon., Wed., Sat.
- Staff recommend that Cobourg and Seymour HHW Depots be permanently closed, given added accessibility at Bewdley and Brighton CRCs
- During the pandemic, Cobourg and Seymour HHW Depots were closed
- Anticipate an increase in HHW, 258 tonnes (2018) to over 380 tonnes (2021)
 - 147% increase with year-round service at Bewdley and Brighton CRCs, in comparison to having 4 Depots
- Closure of Seymour would require Campbellford residents to travel to the Brighton CRC for disposal (approximately 30km)



Financial Impact

- Savings of \$30,000 annually in Waste Operations

Facilities

(k\$)	2021	2022	Change
Revenue			
Levy	640	629	(1.7%)
Rent	971	1,032	6.3%
Internal Charges	2,527	3,099	22.6%
	4,138	4,760	
Expenditures			
Operating	4,033	4,616	14.5%
Capital	55	595	981.8%
Reserves	50	(451)	(1,002.0%)
	4,138	4,760	

GPL Redevelopment

(k\$)	2021	2022	Change
Revenue			
Levy	1,355	1,692	24.9%
Grants	0	295	-
Other	442	597	35.1%
	1,797	2,584	
Expenditures			
Operating	717	901	25.7%
Capital	58,646	37,362	(36.3%)
Reserves	1,047	1,202	14.8%
Long Term Debt	(58,613)	(36,881)	(37.1%)
	1,797	2,584	

Facilities Issue Papers

	Issue Paper	Amount	Funding
#1	Corporate Buildings	\$455,000	\$55K Levy – Base \$400K Corp Reserve (internal borrowing)

Corporate Buildings

The Facilities division created a 10-year capital plan for each of the County buildings in order to ensure that the buildings are maintained on an annual basis.

The Corporate buildings include:

- 555 Courthouse Road Cobourg,
- 860 William Street Cobourg,
- 600 William Street Cobourg,
- 216 Purdy Road Colborne,
- 232 Purdy Road Colborne (Cramahe ESB),
- 423 Croft Street Port Hope, and
- 50 Doxsee Street Campbellford (Trent Hills ESB)

In 2022, Facilities has identified the following projects:

- 555 Courthouse - Geothermal system maintenance
 - \$30,000
- 600 William - Interior lighting upgrades to LED
 - \$25,000
- 860 William - Design & Install of humidity control system
 - \$400,000

Financial Impact

- \$55,000 – Base Levy
- \$400,000 – Corp Reserve internal borrowing



Community & Social
Services Department &
Northumberland County
Housing Corporation



Community & Social Services & NCHC

(k\$)	2021	2022	Change
Revenue			
Levy	9,991	10,718	7.3%
Grants & Subsidies	22,647	20,947	(7.5%)
Other Revenue	2,673	2,776	3.9%
	35,311	34,441	
Expenditures			
OW & EA	10,436	8,680	(16.8%)
Housing Admin	5,883	6,479	10.1%
NCHC	9,663	13,703	41.8%
Early Years	8,822	8,888	0.7%
Other Programs/Admin.	482	703	45.9%
Homelessness	1,402	1,402	0.0%
Food 4 All	361	391	8.3%
Reserves	(83)	(346)	316.9%
Long-Term Debt	(1,655)	(5,459)	229.9%
	35,311	34,441	

Community & Social Services Issue Papers

	Issue Paper	Amount	Funding
#1	Strong Communities Rent Supplement Program	\$83,000	Levy – New
#2	‘Made in Northumberland’ Rent Supplement Program – AHS Units	\$23,750	Levy – New
#3	Continuation of ‘Made in Northumberland’ Rent Supplement Program	\$16,000	Levy - New
#4	Housing Services Operations Supervisor	\$79,500	Levy – New (\$106K – 2023 & beyond)

Strong Communities Rent Supplement Program

- Continuation of the long-term strategic management plan for the ending of the Strong Communities Rent Supplement Program (SCRSP)
 - Provincially funded program ending on March 31, 2023
 - 34 rent supplement units, tenants in receipt of rent-geared-to-income subsidy in the private market
- Recommendation to continue SCRSP units after program end, through County levy investments
 - In 2023, will look toward counting for Service Level Standard (SLS)
- Originally approved in 2020, to begin annual budget increase of \$83,500 until 2023 when full funding requirements are met (current funding requirements are approximately \$250,000 per year)
- Investments made between 2020 and March 31, 2023 are being transferred to the Housing Reserves for the continued development of new housing

Financial Impact

- 2022: \$83,000 – New Levy
 - Total Investment to Date will be \$250,000

Made in Northumberland Rent Supplement Program – Affordable Housing Strategy Units

- Request to grow the Made in Northumberland Rent Supplement Program by funding rent supplement units in 50% of affordable housing units supported by the Affordable and Rental Housing Pilot Program
- Began construction on 14 affordable housing units in 2021. Expecting occupancy to be achieved for 2022, which will require full funding for rent supplement for 7 units.
- Anticipated that a Municipal Housing Facilities Agreement will be formalized in 2022, which will establish the mechanism for the provision of Tax Increment Equivalent Grants (TIEGs)

Financial Impact

- 2022: \$23,750 – New Levy



Continuation of Made in Northumberland Rent Supplement Program

- Request to continue growth of County-funded rent supplement program 'Made in Northumberland'
- Incremental increase of rent supplement budget by \$16,000 per year as proposed in the 2020 budget process
 - Currently not meeting Provincially legislated service level standard (SLS)
 - 2020 investment realized addition of 4 units (originally budgeted for 2 units)
- Propose annual increases to invest in 2 additional units per year towards meeting SLS
- Continue to prioritize affordable market rental units to support in-situ tenants on RGI waitlist and support increase of units able to be supported

Financial Impact

- 2022: \$16,000 – New Levy

Housing Services Operations Supervisor

- Supported by NCHC's Board of Directors
- Will oversee frontline activity and programs are in line with legislation, directives, policies, procedures, and guidelines
- Assist implementing key strategies and development of processes for new and growing areas (including affordable housing strategies)
- Needed to maintain high quality services to tenants & applicants & housing providers, while supporting the Housing Services Manager in implementing key strategic areas

Financial Impact

- 2022 (3/4 year):
 - \$79,500 – New Levy
- 2023 and Beyond
 - \$81,604 (max. job rate) + \$24,481 (employer costs)
 - Total: \$106,085 – New Levy

Corporate Services



Corporate Services

(k\$)	2021	2022	Change
Revenue			
Levy	2,336	2,624	12.3%
Grants	0	294	-
Other	187	218	16.6%
Internal Charges	1,644	1,501	(8.7%)
	4,168	4,637	
Expenditures			
Operating	4,263	4,760	11.7%
Capital	0	2,985	-
Reserves	95	(703)	(840.0%)
Long Term Debt	0	(2,405)	-
	4,168	4,637	

Corporate Services Issue Papers

	Issue Paper	Amount	Funding
#1	Joint Fire Services & Public Works Communications	\$152,400	Corporate Reserves
#2	Forest – Education & Enforcement	\$25,000	Levy - Base
#3	Green Infrastructure Stewardship Technician	\$116,000	\$42K – Levy – New \$74K – Levy – Base \$56K – 2023 & beyond
#4	Snowmobile purchase & reserve increase	\$20,000	\$20K – Forest Reserves
#5	Relocation Services for NCAM Collection	\$20,000	Levy - New

Joint Fire Service and Public Works Communications

Existing Tower Situation:

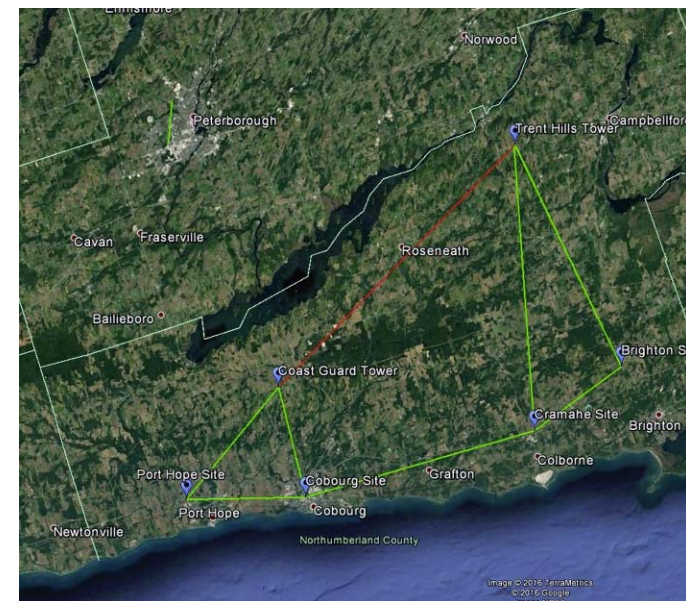
- Originally erected in 1967 with 2017 end of life
- Currently not compliant with CSA standards
- Supplies radio coverage for municipal roads and fire departments
- Topography causes gaps in communication coverage which can cause failure in response times
- Last 10 Years:
 - Ongoing Maintenance and Repairs
 - Upgraded County and municipalities radio infrastructure within individual budgets
 - Implemented County-wide fire dispatch
 - Started joint communications project (6 years ago)



Joint Fire Service and Public Works Communications

Next Steps

- Link upgrades to existing 6 towers to increase interoperability and network redundancy
- Dismantle County tower



Financial Impact

- | | |
|----------------------------------|-------------------|
| • Immediate costs: | \$248,400 |
| • Dismantle/Remove County Tower: | \$14,000 |
| • Existing Reserve: | <u>-\$110,000</u> |
| • Remaining (Corporate Reserves) | \$152,400 |
-
- Approximate annual costs to rent space on towers = \$7,800
 - Annual invoice to 8 municipal partners = \$975

Forest Education and Enforcement

Current

- Formalize pilot project completed in 2021
- Hire an Enforcement Firm to enforce Bylaw 21-10
 - To reduce County risk and liability
 - Implement, enhanced education and enforcement of County Bylaw 21-10
 - Address the issue of increased illegal Forest Use and share bylaw information.
 - Ensure user safety

Financial Impact

- 2022 and Beyond
 - \$25,000 – Base Levy

*Possible carry-forward of 2021 funds based on use of Safe Restart Funding



Green Infrastructure Stewardship Technician

Current

- Formalize a permanent Green Infrastructure Stewardship Technician
- Formerly named, Conservation Stewardship Technician (3-year contract):
 - 6 months 2020
 - 12 months 2021
 - 6 months 2022
- Conducts essential ecological work to create reports and decisions for the County's Green Infrastructure/Natural Assets
- Ensuring compliance with Forest Stewardship Council standards
- Restoration, monitoring, and stewardship of the County Forest



Financial Impact

- 2022:
 - \$56,000 (position) + \$60,000 (vehicle)
 - Total: \$116,000 - \$74,000 (Base Levy)
 - \$42,000 – New Levy
- 2023 and Beyond:
 - \$56,000 – New Levy

Snowmobile Purchase & Reserve

Current

- Replacement of 2015 snowmobile
- Increase reserve contributions to account for the increased cost of future replacement



Financial Impact

- Cost: \$20,000 – Forest Reserve
 - Beginning in 2023 increase reserve payments by \$1,200 per year

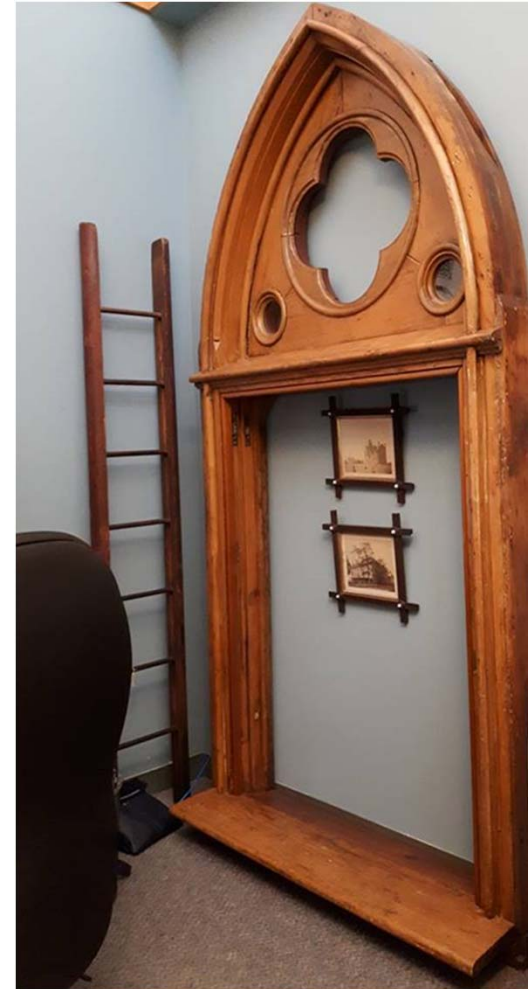
Relocation Services for NCAM

Current

- NCAM's collection includes approximately 1400 boxes of varying sizes, plus oversized artefacts
- Assistance of fine art movers ensures:
 - NCAM's collection items are relocated safely and efficiently
 - Appropriate transportation and installation equipment with trained operators is available and onsite
 - NCAM staff can coordinate activities, supervise personnel and volunteer tasks, and monitoring safe handling and security
- Cost is for 7 days of preparation, transportation and installation
 - Preparations begin in 2022

Financial Impact

- \$20,000 – New Levy



Economic Development, Planning and Tourism



Economic Development, Planning and Tourism

(k\$)	2021	2022	Change
Revenue			
Levy	2,234	2,335	4.5%
Grants & Subsidies	614	490	(20.2%)
Other	1,009	1,042	3.3%
	3,857	3,867	
Expenditures			
Operating	3,853	3,766	(2.3%)
Reserves	4	21	425.0%
Capital	0	80	-
	3,857	3,867	

Economic Development, Planning and Tourism Issue Papers

	Issue Paper	Amount	Funding
#1	Manufacturing/Investment Attraction Position	\$91,000	Levy - Base
#2	Planning Department Staff Increase	\$82,500	Planning Reserves – 2022 \$110K – 2023 & beyond (Levy – New)
#3	Inspection Vehicle	\$80,000	Septic & Plumbing Reserves

Manufacturing/Investment Attraction Position



Background

- Originally created as a partnership between the County and the Town of Cobourg
- Purpose is to attract manufacturing and investment opportunities
- Crucial in the broadband and development initiatives
- Town of Cobourg did not renew this contract; therefore, reclassifying a vacancy in Business Entrepreneurship Centre Northumberland (BECN) to continue to support investment attraction needs

Financial Impact

- Base Levy (no changes)
- Current vacancy in the BECN is equivalent to this role

Planning Department Staff Increase

Background

- The Planning department is updating the Northumberland Official Plan which will be used to guide growth and development over the next 30 years
- The Province requires the County to review and update the Plan for growth forecast
- The growth has been continuously increasing and doubled since the Planning Service team was implemented
- Need for additional staffing to maintain service levels with the current population and anticipated growth

Financial Impact

- 2022 (3/4 year)
 - Levy: \$0
 - Reserves: \$82,500
- 2023 and Beyond
 - Levy: \$110,000



Replacement Inspection Vehicle

Background

- 2013 GMC Sierra was supposed to be replaced in 2021 but was delayed as a result of COVID-19
- Recommend the purchase of an electric vehicle to save on fuel costs and reduce carbon footprint

Financial Impact:

- Cost: \$80,000
 - includes anticipated cost for an electric vehicle charging station
- Financed through reserves



Information Technology Department



Information Technology & Records Management

(k\$)	2021	2022	Change
Revenue			
Internal Charges	2,568	2,858	11.3%
Other	381	279	(26.8%)
	2,949	3,137	
Expenditures			
Operating	2,698	2,977	10.3%
Capital	161	175	8.7%
Reserves	90	(15)	(116.7%)
	2,949	3,137	

Information Technology Issue Papers

	Issue Paper	Amount	Funding
#1	Creation of a Dedicated Cybersecurity Fund	\$75,000	Levy – New 2023 - \$100K 2024 - \$150K

Dedicated Cybersecurity Fund

Current

- Cybersecurity threats continue to increase globally
- The nature of these threats continue to mutate and adapt to existing solutions
- Cybersecurity insurance premiums continue to increase and qualification requirements are becoming more stringent
- An organization that proactively protects itself against these threats stands a better chance of preventing an organization-wide event
- This request is for the creation of new operating line item to assist in offsetting the costs of new and advanced security solutions
- Organizations tend to spend 12% - 13% of their IT budget on cybersecurity – the County currently spends 8%. This fund will increase spending to 12%.

Financial Impact (from levy):

- 2022 = \$75,000
- 2023 = \$100,000 (incremental \$25K)
- 2024 = \$150,000 (incremental \$50K)



Golden Plough Lodge



Golden Plough Lodge

(k\$)	2021	2022	Change
Revenue			
Levy	5,352	5,632	5.2%
Subsidies	7,640	7,766	1.6%
Resident Revenue	3,394	3,332	(1.8%)
Other	105	107	1.9%
	16,491	16,837	
Expenditures			
Nursing	9,249	9,539	3.1%
Dietary	2,033	2,123	4.4%
Laundry & Housekeeping	812	828	2.0%
Facility	1,278	1,434	12.2%
Other Operating, Capital, Reserves & Admin.	3,119	2,913	(6.6%)
	16,491	16,837	

GPL Issue Papers

	Issue Paper	Amount	Funding
#1	Capital Plan	\$41,000	Levy - Base

Environmental Services Capital Plan

- As the Current facility is being decommissioned in 2023, capital spending is restricted to ONLY maintain/replace items that are directly connected to H&S or Legislation
- Required Plumbing and Boiler, Furniture and Beds



Financial Impact

- Plumbing and Boiler work: \$10,500
- Furniture/Beds*: \$30,500
- Total Financial Impact: \$41,000 – Levy Base

*Furniture and Beds will be utilized in the new facility



Northumberland Paramedics



Northumberland Paramedics

(k\$)	2021	2022	Change
Revenue			
Levy	7,442	8,148	9.5%
Subsidy	6,977	10,376	48.7%
Other	100	100	0.0%
	14,519	18,624	
Expenditures			
Operating	13,905	17,148	23.3%
Capital	505	1,327	162.8%
Reserves	109	149	36.7%
	14,519	18,624	

Paramedics Issue Papers

	Issue Paper	Amount	Funding
#1	Logistics Coordinator	\$30,500	Levy – New (\$61,000 – 2023 & beyond) 50% MOH funding

Logistics Coordinator

County currently has 1 Logistics Technician for 35 hours a week. Currently facing challenges with:

- Maintaining supply in Ambulances, ERVs, and Supply Rooms as per legislation
- Pick-up and delivery of laundry and linens between the 6 EMS bases and 3 hospitals
- Retrieving specialized equipment that's used during trauma and medical calls
- Increase in PPE and Health & Safety for COVID-19 safety protocols. These requirements are regulated.
- Replacement and Backfill for the current Logistics staff for holidays and sick leave

Financial Impact

- 2022: \$30,500
- 2023: \$62,220
 - County Levy (New): \$46,970
 - MOH Subsidy: \$15,250
- 2024 and Beyond: \$63,464
 - County Levy (New): \$32,354
 - MOH Subsidy: \$31,110



Finance Department



Finance

(k\$)	2021	2022	Change
Revenue			
Interest	1,075	1,014	(5.7%)
POA	1,500	1,500	0.0%
Other	20	20	0.0%
Internal Charges	1,833	2,016	10.0%
	4,428	4,549	
Expenditures			
Operating	3,410	3,608	5.8%
Capital	0	62	-
Reserves	1,018	879	(13.7%)
	4,428	4,549	

Finance Issue Papers

Issue Paper	Amount	Funding
No Issue Papers in 2022		

Corporate Management, Governance, External Transfers & Communications



Corporate Management, Governance & External Transfers

(k\$)	2021	2022	Change
Revenue			
Levy	4,298	4,474	4.1%
Internal Charges	863	885	2.5%
Grants & Subsidies	471	547	16.1%
Other	100	100	0.0%
	5,732	6,006	
Expenditures			
Operating	5,879	6,213	5.7%
Reserves	(147)	(207)	40.8%
	5,732	6,006	

Corporate Mgmt Issue Papers

Issue Paper	Amount	Funding
No Issue Papers in 2022		

Communications

(k\$)	2021	2022	Change
Revenue			
Internal Charges	421	620	47.3%
	421	620	
Expenditures			
Operating	421	620	47.3%
	421	620	

Communications Issue Papers

	Issue Paper	Amount	Funding
#1	Communications Officer – Capital Projects (3 yr. contract)	\$44,000	Levy – New \$88K - 2023, 2024 \$44K - 2025
#2	Equity, Diversity & Inclusion Manager	\$88,500	Levy – New \$118K – 2023 & beyond
#3	Digital & Document Accessibility Specialist	\$58,500	Levy – New \$78K – 2023 & beyond

Communications Officer, Capital Projects (3-year contract)

- Officer will provide dedicated strategic support to Public Works during the period of intensified development
 - Pre-construction & construction activities on capital projects representing \$80M investment during this time period
- Currently, 2 staff dedicated to corporate communications
 - Service Delivery Review identified a shortfall of 1 FTE based on current/forecasted demand by internal partners
- Assist with escalating demand at current service levels and increase capacity for focus on strategic planning and proactive efforts

Financial Impact:

- 2022 (half year): \$44,000 – New Levy
- Ongoing – Salary Grid D:
 - 2023-2024 (full-year): \$69,706 (max. job rate) + \$18,035 (costs)
 - \$87,741 total annually – New Levy
 - 2025 (half year): \$44,000 – New Levy

Equity, Diversity & Inclusion Manager

- Responsible for:
 - Engaging County and member municipalities, and public in the design of a common EDI Framework for adoption by County Council and participating municipalities
 - Creation, implementation, ongoing assessment, and measurement of an action plan for the County-based on the Framework
- This is a long-term journey involving:
 - building partnerships with individuals who have lived experience
 - organizations working to combat systemic inequality
 - increase safety and inclusion
 - engaging in dialogue and generating sustained action and community change

Financial Impact:

- 2022 Impact (3 quarters): \$88,500 – New Levy
- 2023 and Beyond - Salary Grid F (1,820 hours)
 - \$92,165 (max. job rate) + \$26,163 (employer costs)
 - \$118,328 total – New Levy

Digital & Document Accessibility Specialist

- AODA requires all public sector content to be compliant with Web Content Accessibility Guidelines 2.0 Level AA as of Jan 1, 2021.
- First half of 2021, 17 employees dedicated 565 hours to document remediation, with additional 315 hours anticipated for remainder of year.
- Position will be centralized to support all departments.
- Ensure consistently high standard of content accessibility & efficient allocation of staff resources to operational needs.

Financial Impact

- 2022 impact (3 quarters): \$58,500 – New Levy
- Ongoing annual impact - Salary Grid C (1,820 hours)
 - \$59,569 (max. job rate) + \$18,809 (employer costs)
 - \$78,378 total – New Levy

Summary

Summary

- 2022 draft budget proposes (after growth):
 - Base Levy 2.1% (target 1.5%)
 - Dedicated Infrastructure Investment 0.9%
 - 3.0% total levy increase
- Draft budget:
 - Aligned with the LTFPF to focus on future needs
 - Aligned with the strategic plan
 - Incorporates savings and efficiencies
 - Maintains programs & services
 - Supports shared services initiatives
- Budget addresses immediate financial challenges & capital needs
- Considerable risk from inflationary pressures current and long term

Next Steps



Seeking guidance for the proposed draft budget



Draft budget and long-term plan posted on-line for public review/comment



December Council; staff to provide additional information & analysis as requested and prepare by-law for approval



Begin implementing immediately upon approval. Tax rates/ratios to be approved March/April



Questions?



Supplemental Slides

Reserve Summary

Reserve	2021 (est)	2022 Additions	2022 Reductions	2022 (est)
General / Rate Stabilization Reserves	18,551,974	1,707,473	1,170,408	19,089,039
Social Housing Reserve	13,338,570	410,315	1,347,286	12,401,599
Transportation Capital Reserve	13,589,078	697,203	2,442,000	11,844,281
GPL Rebuild Reserve	7,955,715	1,565,566	-	9,521,281
WSIB Reserve	5,335,603	-	-	5,335,603
Waste Services Capital Reserve	4,980,002	1,100,000	1,798,730	4,281,273
Landfill Closure/Post-closure Liability Reserve	3,568,095	-	-	3,568,095
Facilities Capital Reserve	2,391,960	50,000	329,000	2,112,960
Paramedics Capital Reserve	1,379,670	917,000	808,056	1,488,614
Transportation Operating Reserve	1,364,082	-	-	1,364,082
IT Reserve	785,072	160,000	268,000	677,072
Social Services Reserve	1,125,169	32,000	555,500	601,669
Human Resources Reserve	412,877	-	53,952	358,925
Land Use Planning	449,099	53,904	156,459	346,544
Forest Reserve	358,672	59,416	116,017	302,071
Emergency Planning Reserve	369,518	5,000	110,000	264,518
Ec Dev and Tourism Operating Reserve	348,329	-	125,651	222,678
Insurance Claims Reserve	241,386	-	40,000	201,386
Paramedics Operating Reserve	116,600	-	-	116,600
GPL Capital Reserve	80,458	-	-	80,458
GPL Donations Reserve	34,868	-	-	34,868
Communications Reserve	25,000	-	-	25,000
Other Operating Reserves	6,038	-	-	6,038
Corporate Service Reserves	434,000	100,000	530,000	4,000
	77,241,834	6,857,877	9,851,058	74,248,653