Corporation of the Municipality of South Huron
Agenda -Special Meeting

Monday, January 14, 2019, 4:00 p.m.
Olde Town Hall-Carling Room

Accessibility of Documents:
Documents are available in alternate formats upon request. If you require an accessible format or communication support, please contact the Clerk's Department at 519-235 -0310 or by email at clerk@southhuron.ca to discuss how best we can meet your needs.

Pages

1. Meeting Called To Order

2. Amendments to the Agenda, as Distributed and Approved by Council

Recommendation:
That South Huron Council approves the Agenda as presented.

3. Disclosure of Pecuniary Interest and the General Nature Thereof

4. Delegation

4.1 Water/Sewer Rate Study - Andrew Grunda, Watson & Associates 1

Recommendation:
That South Huron Council receives the report from Andrew Grunda from Watson & Associates.

5. Staff Reports

5.1 Asset Management Program - Presentation A. Shipway, Manager of Financial Services 22

Recommendation:
That South Huron Council receives the report from A. Shipway, Manager of Financial Services re: 2019 Budget.

5.2 2019 Budget Process Overview - Presentation S.Becker, Director Financial Services/Treasurer 34

Recommendation:
That South Huron Council receives the report from S. Becker, Director Financial Services/Treasurer re: 2019 Budget Overview.

5.3 2019 Budget Survey Results/Analysis - Presentation A. Shipway, Manager of Financial Services 59

Recommendation:
That South Huron Council receives the report from A. Shipway, Manager of Financial Services re: 2019 Budget.

6. Adjournment

Recommendation:
That South Huron Council hereby adjourns.

Watson & Associates ECONOMISTS LTD.

Municipality of South Huron Water and Wastewater Rate Study & Financial Plan Update

Council Presentation

January 9, 2019

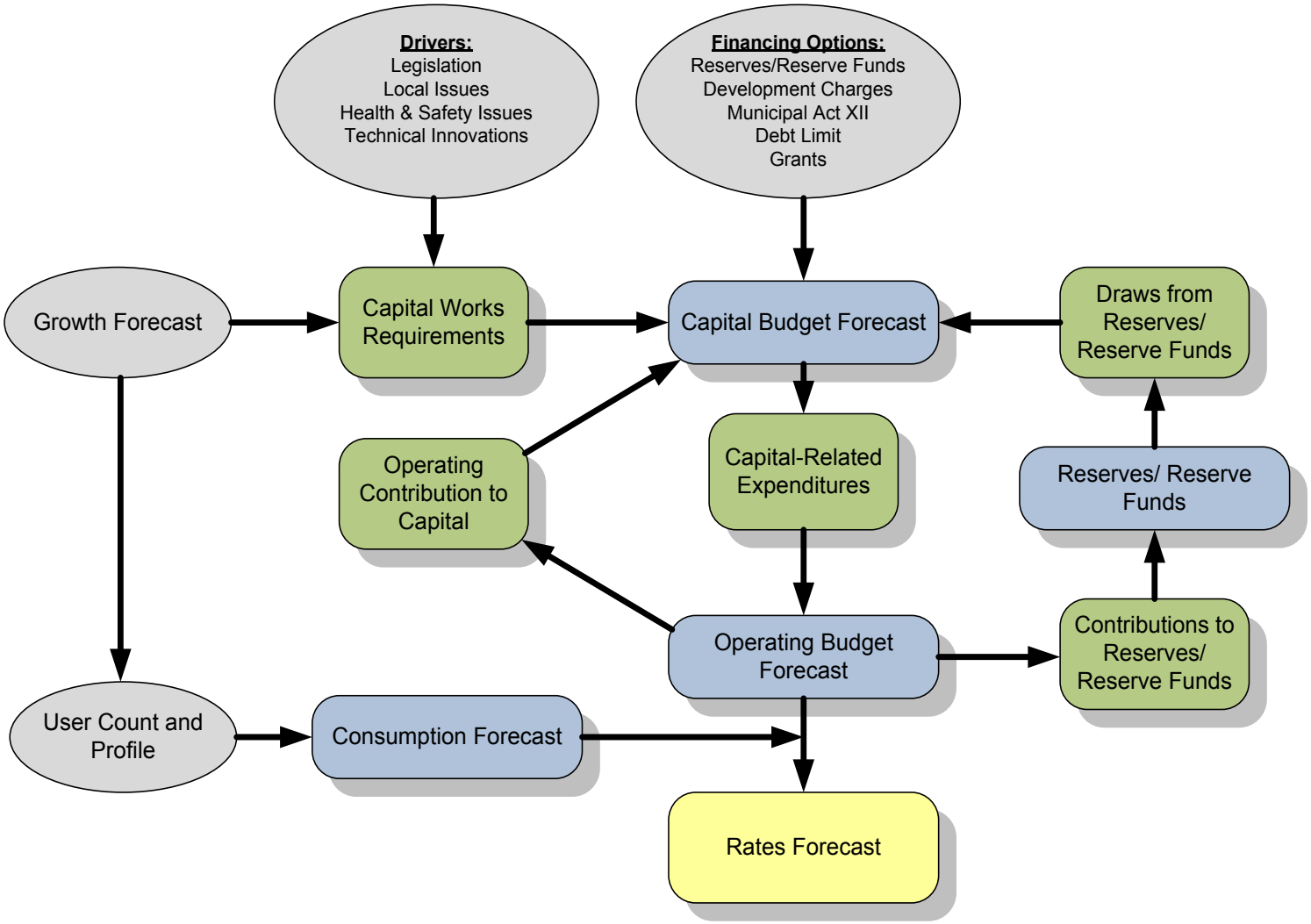
Introduction

- Watson and Associates Economists Ltd. (Watson) was retained by the Municipality of South Huron (Municipality) to update the 2011 Water and Wastewater Rate Study and Water Financial Plan
- Review Included:
  - Update of water demand assumptions based on analysis of historical consumption patterns and recent trends;
  - Building a capital program that blends lifecycle needs (2016 Asset Management Plan) with specific needs identified by staff and the 2017 Water and Wastewater Master Pan;
  - Forecast annual operating cost and rate-based funding requirements;
  - Assess adequacy of current water/wastewater rates in addressing long-term financial plan needs;
  - Recommend water and wastewater rates for the 2018-2032 period, including updates to the Exeter-Hensall base charge; and
  - Providing impact assessment on rate payers

Legislative Context

- *Sustainable Water and Sewage Systems Act* (SWSSA) passed on Dec. 13, 2002 (repealed Dec. 31, 2012)
- Safe Drinking Water Act Regulation (O.Reg. 453/07) – Municipal Drinking Water Licensing Program requirements for a financial plan to be submitted to the Province six-months prior to license expiry
- *Water Opportunities Act, 2010* – preparation of sustainability plans for water, sanitary sewer and stormwater services

Rate Study Methodology



Sample of Current Quarterly Water and Sewer Bill

Exeter

THE MUNICIPALITY OF SOUTH HURON
UTILITY BILLING

Box 759 - 322 Main Street S
Exeter, On N0M 1S6
Phone # 519-235-0310 or 1-877-204-0747

Account Number 0XX000.0X
Name
Service Address
Billing Period 01/02/2019 to 01/05/2019
mm/dd/yyyy mm/dd/yyyy
Number of Billing Days 90

Current Reading	Previous Reading	Consumption	Description	Amount
5000	5042	42	WTR CONS CHG @ 1.76/M3	$73.48
			SWR CONS CHG @ 1.81/M3	$75.57
			WATER BASE CHARGE	$60.70
			SEWER BASE CHARGE	$20.20
			PIPELINE DEBT CHG	$83.90
			Current Charges	$313.85
			Balance Forward	$0.00
			Penalty	$0.00
			AMOUNT DUE	**$313.85**

Operations

Capital/Debt

Exeter-Hensall Debt Repayment

Annual Bill - $1,255

Historical Context

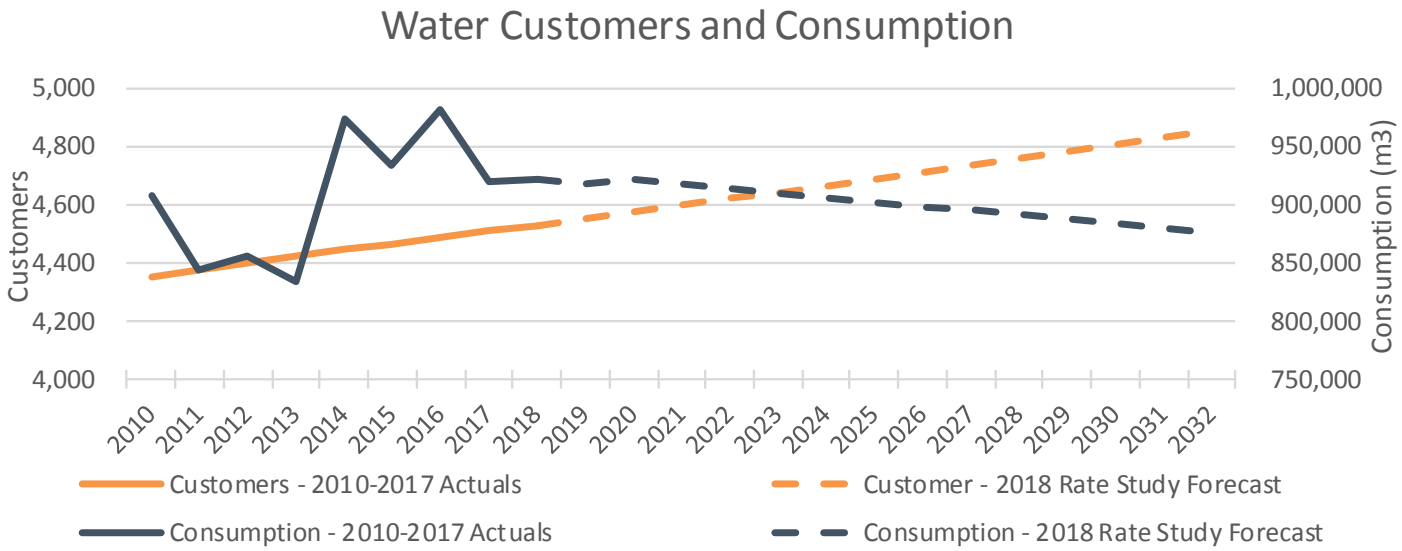
- In 2011 Council adopted a rate forecast for the 2011-2017 period, maintaining the principles established in by Council in 2008, namely:
  - Uniform quarterly base charge and consumptive water and wastewater rates for Exeter and Stephen customers;
  - Exeter-Hensall quarterly base charge to recover annual debt repayment, based on proportionate share of max. day design flows;
  - Quarterly base charges imposed on multi-tenant customers on a per unit basis at 75% of single family dwelling rate, reflecting lower occupancy;
  - Quarterly base charges imposed on year-round land lease properties on per unit basis at single family dwelling rate;
  - Quarterly base charges for all other customers imposed on graduated basis, determined by water service size; and
  - Municipal Act Capital Charge recoveries for debt financed growth related infrastructure

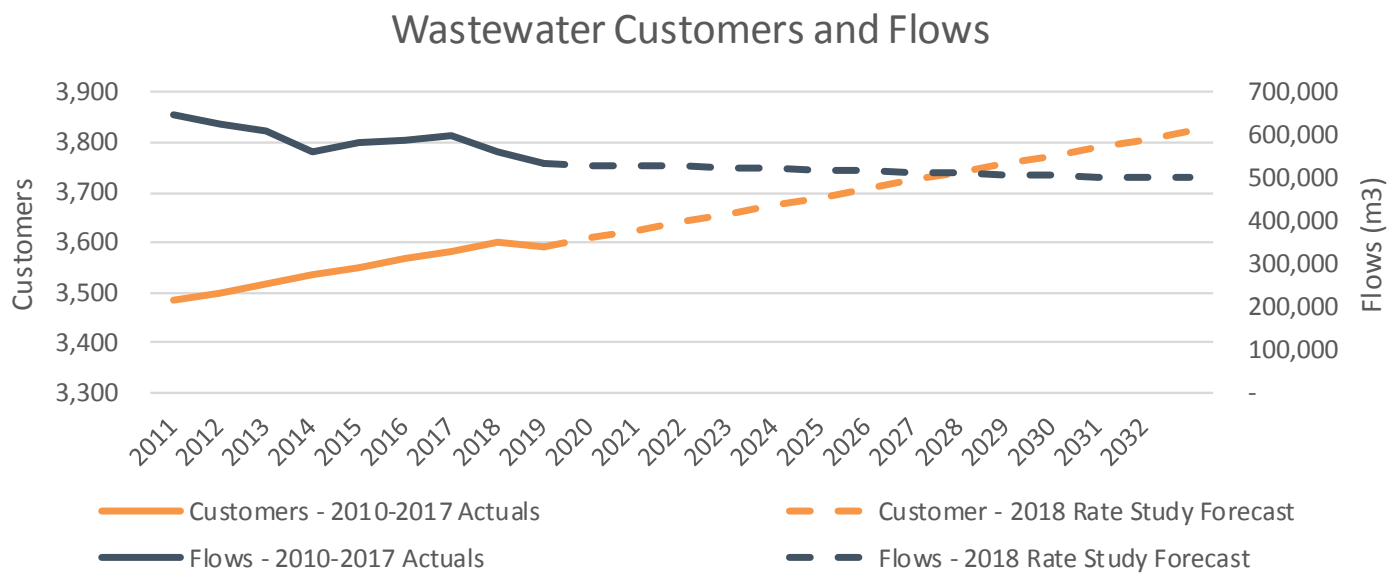
Water and Wastewater Customer Profile and Consumption Growth

- Annual water and wastewater customer growth forecast based on 2010-2017 actuals and trend analysis
  - Exeter - 23 residential equivalents
  - Stephen – 16 residential equivalents
- Water consumption forecast at 167 m^3 per customer, with1% annual water conservation
- Suntastic and Med Relief (large volume consumers)
  - Consumption maintained at 2017 levels

Customer Profile and Consumption Growth

2019-2032 Forecast Assumptions





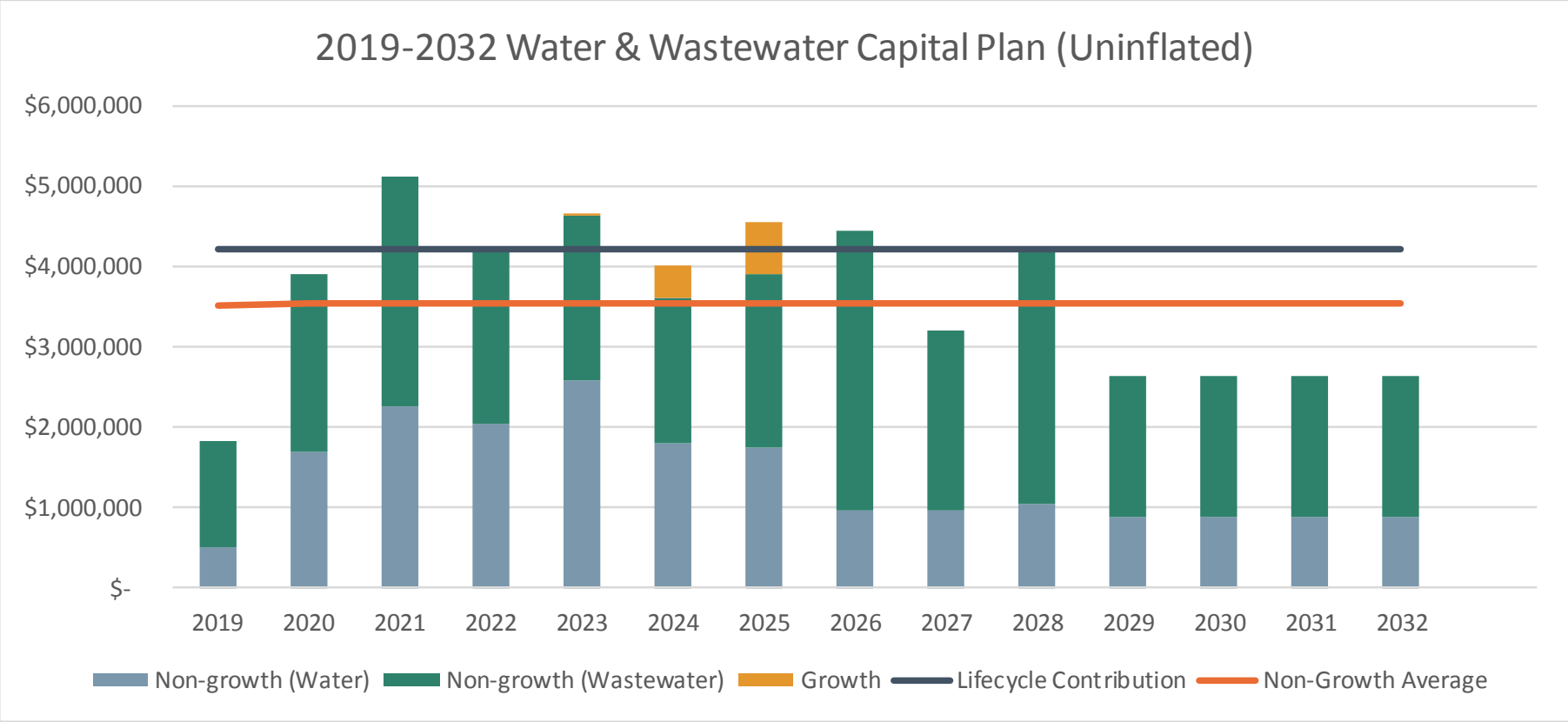
Water and Wastewater Capital Needs Forecast

2019-2032 Forecast Assumptions

- Annual lifecycle contribution based on 2016 AMP, plus attribution for urban road reconstruction (30% wastewater and 20% water), and Exeter Wastewater Treatment Plant (WWTP) replacement in 2040at mechanical treatment plant cost estimate
  - Water at $2.2 million and wastewater at $2.0 million, annually
- Forecast average annual capital spending generally at annual lifecycle levels (i.e. water - $2.2 million, wastewater - $1.4 million), including:
  - Grand Bend Sewer
    - Treatment Plant, EA, and Pumping Station complete
    - Trunk Sewer proposed for 2023 subject to Council approval (no rate impact)
  - Exeter WWTP
    - Rehabilitation of Sewage Lagoon Sand Filters in 2020-2021 ($1.5 million)
    - UV Treatment for Winter Discharge in 2022 ($400,000)

Water and Wastewater Capital Needs Forecast

2019-2032



Water and Wastewater Capital Funding Sources

2019-2032 Forecast Assumptions

- Funding Options
  - Current Reserve Funds
    - Water $8.3 million, Wastewater - $0.5 million
  - Existing Annual Debt Repayment
    - $1.8 million water and wastewater, debt repayment represent 10% of own source revenues
    - Total municipal debt repayment $2.1 million for all services including water and wastewater, 12% of own source revenues *(currently rated as high risk)*
    - Annual debt repayment limit regulated at 25% of own source revenues
  - Development Charges – limited development charge funding
  - Grants – no additional grant funding assumed

Modeled Water and Wastewater Capital Funding Scenarios

2019-2032 Forecast Assumptions

- Two capital funding scenarios were considered:
  - Scenario 1 – no additional debt financing
    - Interim financing between water and wastewater reserve funds
    - No additional water and wastewater debt incurred
  - Scenario 2 – additional debt financing
    - Interim financing between water and wastewater reserve funds
    - Additional water and wastewater debt funding of $20.6 million
- **Scenario 1 (no additional debt financing)** has been recommended to maintain the Municipality's debt capacity for other municipal services (e.g. recreation centre) and in recognition of the current risk rating regarding municipal borrowing

Water and Wastewater Capital Funding Plan

2019-2032 Forecast (inflated$)

	Scenario 1 (2019-2032)	
	Water	Wastewater
Capital Expenditures	**38,023,000**	**22,716,000**
Capital Financing		
Provincial/Federal Grants	-	-
Development Charges Reserve Fund	-	-
Non-Growth Related Debenture Requirements	-	-
Growth Related Interim Funding	1,259,500	-
Water/Wastewater Reserve	36,763,500	21,019,000
Municpal Act Captial Charge		1,697,000
Total Capital Financing	**38,023,000**	**22,716,000**

- Exeter-Hensall debt repayment ($767,000 annually)
  - $261,000 annually to be recovered from D.C.s
  - Quarterly debt charge re-calculated to fund annual non-growth component ($506,000) and interim D.C. financing ($240,000)
- Existing Capital Charge debt repayments maintained
- Grand Bend Trunk Sewer assumed to be fully capital charge funded

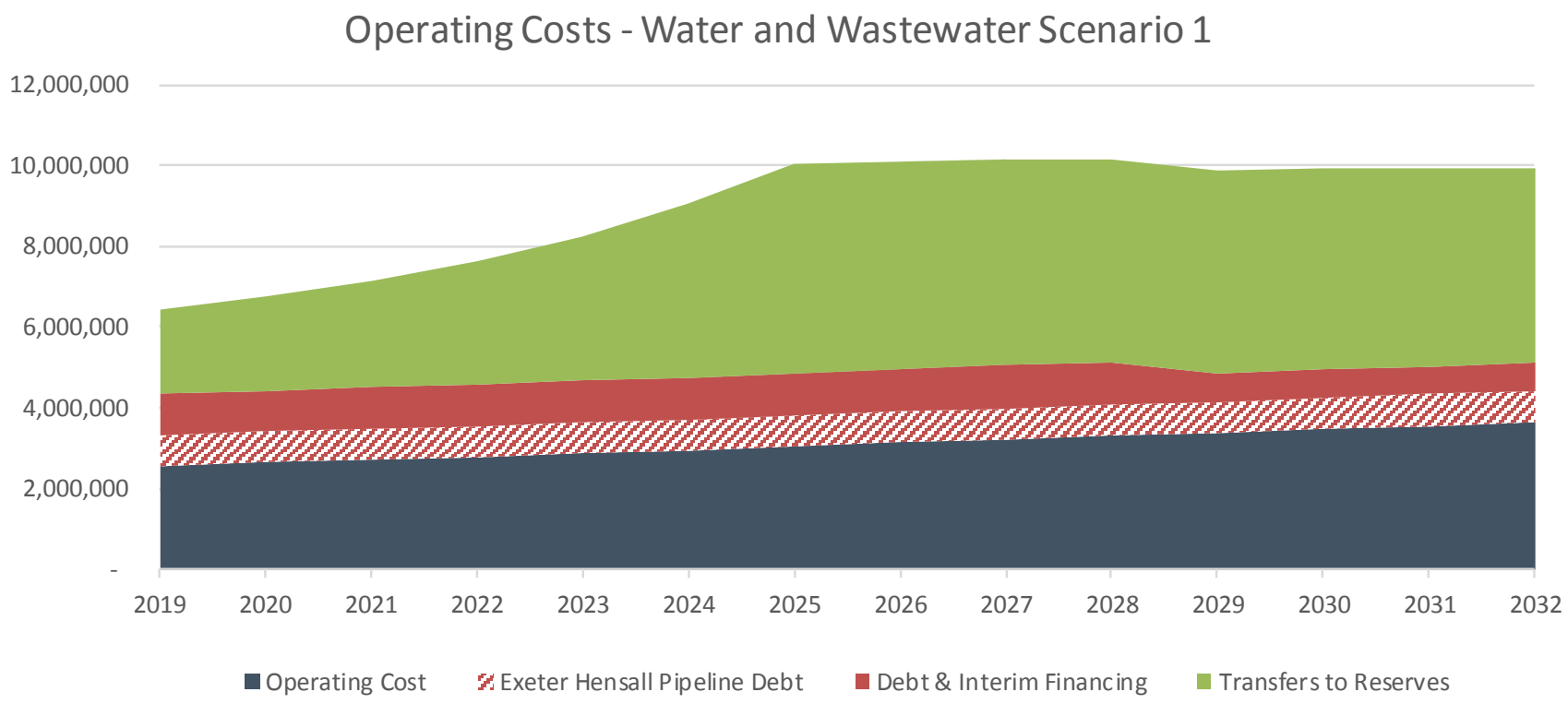
Water and Wastewater Operating Expenditure Forecasts

2019-2032 Forecast Assumptions

- Lake Huron & Elgin Area Primary Water System water purchases - forecast based on water consumption forecast and 2-3% annual increase in primary water rate
- Operating expenditures forecast including 2% inflation
- Capital-related expenditures forecast based on capital funding plan composition, including existing debt D.C. interim financing, and transfers to reserve funds

Water and Wastewater Net Operating Expenditure Forecasts

2019-2032 (inflated$)



Water and Wastewater Rate Recommendations

- Recommendation is to maintain current practice of charging:
  - Uniform quarterly base charge and consumptive water and wastewater rates for Exeter and Stephen customers;
  - Quarterly Base Charges
    - Designed to recover annual lifecycle costs of capital;
    - Multi-tenant customers charged 75% of single family dwelling rate, reflecting lower occupancy; and
    - Imposed on year-round land lease properties on per unit basis at single family dwelling rate
  - Consumptive Rates designed to recover annual operating costs of services
  - Exeter-Hensall quarterly base charge to recover annual debt repayment costs

2018 Quarterly Water and Sewer Bill

Exeter

THE MUNICIPALITY OF SOUTH HURON

UTILITY BILLING

Box 759 - 322 Main Street S
Exeter, On N0M 1S6
Phone #519-235-0310 or 1-877-204-0747

Account Number 0XX000.0X

Name

Service Address

Billing Period 01/02/2019 to 01/05/2019
mm/dd/yyyy mm/dd/yyyy

Number of Billing Days 90

Current Reading	Previous Reading	Consumption	Description	Amount
5000	5042	42	WTR CONS CHG @ 1.77/M3	$73.90
			SWR CONS CHG @ 1.81/M3	$75.57
			WATER BASE CHARGE	$67.20
			SEWER BASE CHARGE	$27.81
			PIPELINE DEBT CHG	$69.51
			Current Charges	$313.99
			Balance Forward	$0.00
			Penalty	$0.00
			AMOUNT DUE	**$313.99**

Operations

Capital/Debt

Exeter-Hensall Debt Repayment

Annual Bill - $1,256
($1 increase compared to 2018)

2019 Proposed Quarterly Water and Sewer Bill

Scenario 1 - Stephen

THE MUNICIPALITY OF SOUTH HURON

UTILITY BILLING

Box 759 - 322 Main Street S
Exeter, On N0M 1S6
Phone # 519-235-0310 or 1-877-204-0747

Account Number 0XX000.0X

Name

Service Address

Billing Period 01/02/2019 to 01/05/2019
mm/dd/yyyy mm/dd/yyyy

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			SWR CONS CHG @ 1.81/M3	$75.57
			WATER BASE CHARGE	$67.20
			SEWER BASE CHARGE	$27.81
			PIPELINE DEBT CHG	$3.99
			Current Charges	$248.47
			Balance Forward	$0.00
			Penalty	$0.00
			AMOUNT DUE	**$248.47**

Operations

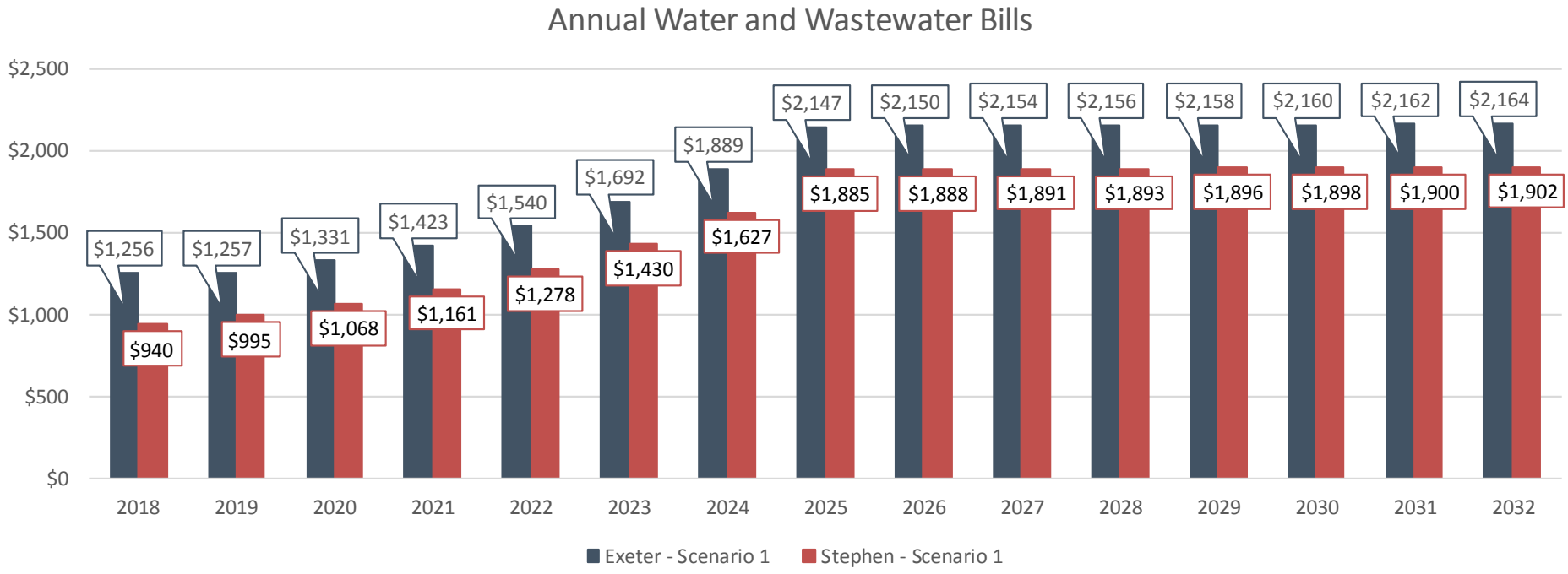
Capital/Debt

Exeter-Hensall Debt Repayment

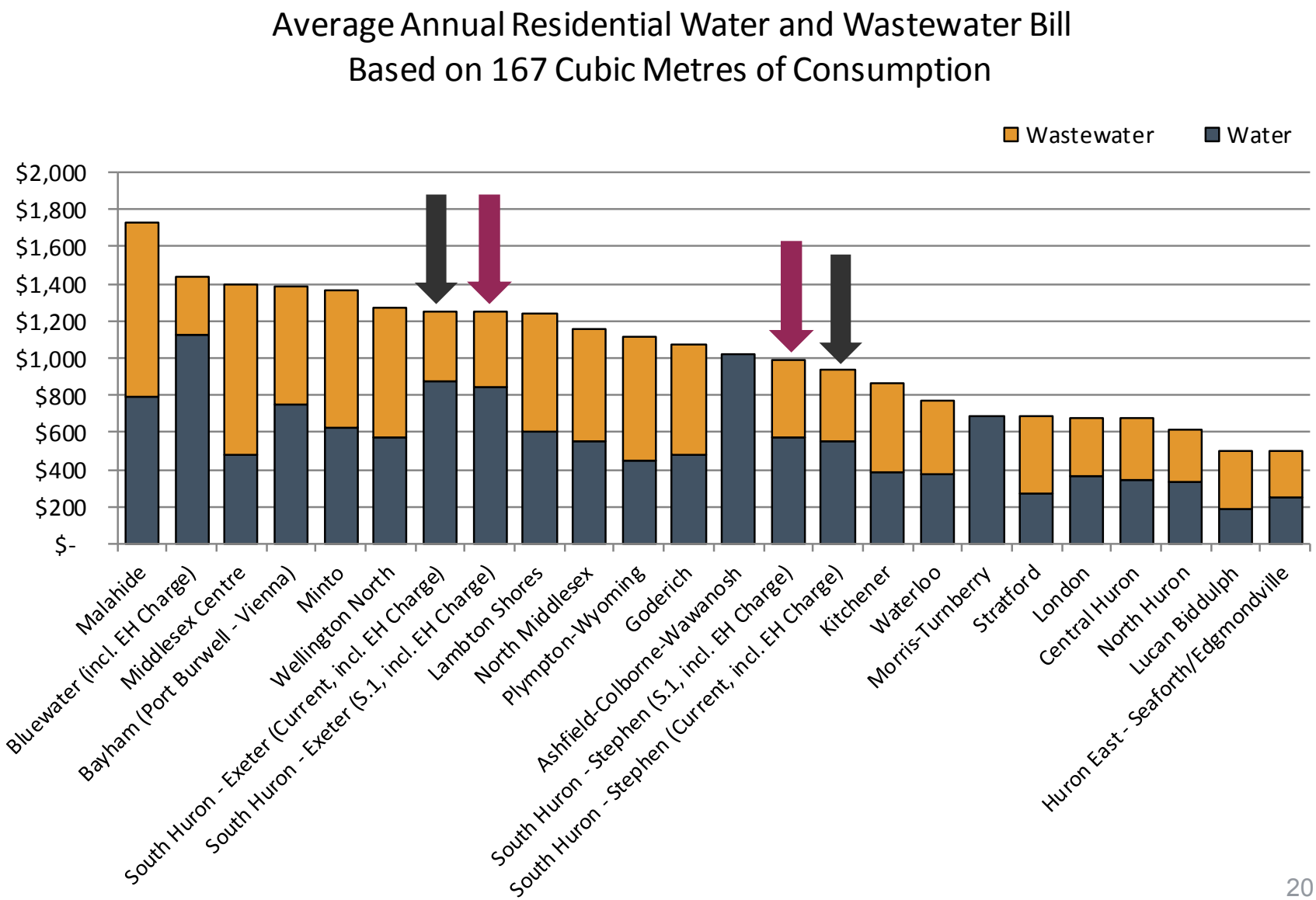
Annual Bill - $994
($55 increase compared to 2018)

Annual Customer Water and Wastewater Bill Impacts

Scenario Comparison – based on 167 m^3 of usage and 19mm Service Size



Municipal Comparison of Annual Water and Wastewater Bill



Next Steps

- Finalize Water and Wastewater Rate Study
- Undertake public open house session to present study findings to ratepayers (January 22, 2019)
- Update rate bylaw and prepare O.Reg 453/07 Water Financial Plan for Council adoption (February 4, 2019)

Asset Management

"Spending the right money, on the right asset/activity, at the right time"

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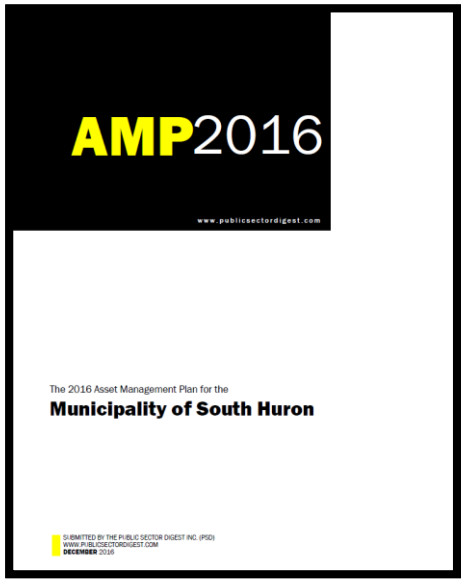
Current Asset Management Plan

- Completed in 2016 by Public Sector Digest
- Assumptions:
  - Most assets assessed on an age basis (useful life)
  - Useful life outlined in TCA Policy as an accounting (PSAB) measure
- Not a living document
- Financial analysis based on replacement cost, where available, otherwise historical cost was used
- Satisfied all legislation to date and ensured grant funding continued
- *Conclusion: we plan to sophisticate this and bring it in house, but should be acknowledged when speaking with other Municipalities South Huron has done a great job thus far and is slightly ahead of the curve. Well done!*



O. Reg. 588/17 AM Legislation

Ontario

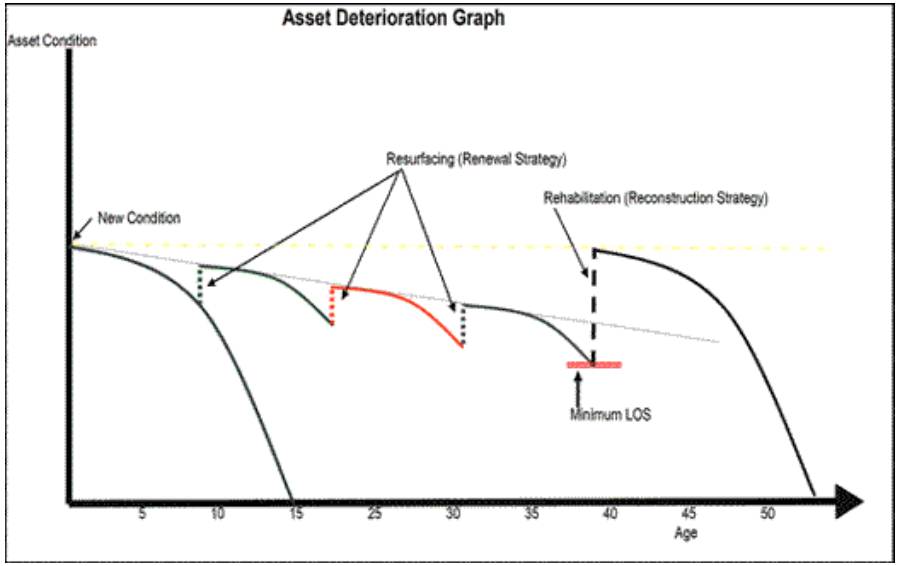
July 1, 2019	July 1, 2021	July 1, 2023	July 1, 2024
Strategic Asset Management Policy	Asset Management Plan – Core Assets	Asset Management Plan – All Municipal Assets	Proposed Levels of Services/ Financial Strategy

- Asset Management Plans must include
  - Levels of service defined
  - Lifecycle events

- Core Assets
  - Road Network
  - Bridges/Culverts
  - Water
  - Sewer
  - Storm Water

AMP – Lifecycle Events

- Current assumptions are end of life replacement without preventative maintenance activities
- Goals:
  - Define preventative maintenance activities that extend useful lives (full replacement)
  - Maximize useful lives and minimize annualized cost of the asset
  - *Examples: Sealing a bridge deck, Crack sealing, grading, pipe flushing, etc.*
- Levels of Service
  - Definition required to determine the latest point in the asset life preventative maintenance can be performed



Levels of Service (LOS)

- Core Assets – 2021
- All Assets – 2023
- Define levels of service in collaboration with Council
  - Minimum Maintenance Standards for Roads
  - Safe Water Drinking Act, 2002
- Community Levels of Service
  - Qualitative Metrics
- Technical Levels of Service
  - Technical metrics; quantitative
- Scope/Reliability of the service

Asset Category	Community LOS	Technical LOS
Water Assets	Identification of Service Areas (scope)	Response time for water main breaks
Roads	Maps of the road network	Minimum pavement index value acceptable

Priority Metrics

Risk of Failure

- Probability the asset will fail/underperform
- Increases with age and environmental factors of the asset

Consequence of Failure

- Impact on services/residents should the asset fail
- Increases with operational demand/dependency on the asset

- Priority projects will be first assessed on condition data and then by the risk/consequence of failure metrics

2018 Asset Management

- Expanding and modifying asset database to satisfy operations, PSAB reporting, and asset management
- CityWide Asset Manager Database
  - Inventory of Municipal Assets
  - Software can model lifecycle events and apply assumptions like consequence of failure and risk of failure metrics to determine priorities
- **Asset Management Working Group**
  - Established a cross-functional working group to meet regularly to ensure success of the Asset Management Strategy
- FCM Grant $50,000
  - Staff successfully applied for a grant to assist with condition/data gathering on core assets
  - RFP awarded to GM BluePlan for storm water to ensure complete inventory and interpret underground infrastructure condition analysis
  - RFT for CCTV inspections to go out early 2019 for the data to interpret underground conditions

2019 Asset Management Goals

- Strategic Asset Management Policy (deadline July 1, 2019)
  - Must be Council endorsed
  - Policy will outline objectives and direction of asset management for our Municipality
- Data Gathering/GIS
  - Ensure the database captures all Municipal assets for the core asset categories
  - Linking assets to GIS mapping
  - Replacement Cost data
- Condition Analysis
  - 2019 Proposed Budget includes Road Needs Study and CityWide Works (work orders)
  - CCTV Inspections for linear underground infrastructure
- AMP It Up 2.0 – MFOA (complimentary service for small municipalities)
  - Consulting service to assist staff in preparing an action plan

CityWide Works

Works

- Work order software that fully integrates with existing asset management/GIS software
- Directly linked to our asset database as well as GIS capabilities
- Mobile for front line staff to increase operational efficiency
- **Ability to monitor lifecycle events associated with our assets to have current condition data**
- Audit trail for operations
- Key performance indicator data will be available (ex. # of water main breaks)
- Increased customer service – tracking, response and follow up

Capital Replacement Reserve

- Determine a sustainable level of capital reserves to maintain and sustain our assets
- Previous approach: Amortization values
- Strategy moving forward – phased approach
  - Model lifecycles of the assets beyond age based conditions
  - Annualize the cost of the assets to determine optimal funding
  - Consider current financial constraints and develop a phased plan to reach optimization
  - Start with core assets and expand to all asset classes while maintaining status quo (amortization approach)

Asset Management Goals

- Budgeting Goals
  - Fact based budgeting with the ability for more accurate multi year capital budgets
  - Generate reports and prepare capital budgets with the operating cost of capital
  - Financial Modeling
- Organizational Goals
  - Information to be used and support other plans
  - Long term strategic planning for services, assets and financial
  - BEST Practices
- Updating & Reporting, as per O. Reg. 588/17
  - It is required the asset management plan is reported to Council annually
  - The Asset Management Plan and Strategic Policy are to be reviewed and updated accordingly every 5 years

Thank you!

Asset management is a critical component of Municipal operations, and for good reason. We believe it is…

"Spending the right money, on the right asset/activity, at the right time to maximize useful lives and minimize annualized costs"

The Asset Management Working Group looks forward to working with staff, Council and the public to shift our Municipality to a proactive, sustainable Corporation.

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2019 Budget

January 9, 2019 – Budget Process Overview & Direction

Budget Basics

- Section 290 of the Municipal Act
  - *"for each year, a local municipality shall, in the year of the immediately preceding year, prepare and adopt a budget including estimates of all sums required during the year for the municipality"*

- O. Reg 284/09 – Budget Measures-Expenses
  - *"municipality may exclude amortization expenses, post employment expenses and solid waste landfill closure and post closure expenses in preparing their budget, however if municipality choose to do so, the municipality before adopting the budget for the year shall prepare a report about the excluded expenses and adopt the report by resolution"*

Budget Basics

- *What is the difference between Operating versus Capital*

Operating budget:

- Pays for all of the day to day activities of the corporation;
- Examples of operating expenses include; wages, benefits, insurance, supplies, general repairs and maintenance, fuel, utilities, etc

Capital budget:

- Pays for all large investments, replacements or rehabilitation of assets under the municipality's control
- Examples of capital expenditures include; rehabilitation of roads, watermains and sewermains, new facilities, rolling stock and/or equipment
- Assets are economic resources which incur future economic benefits

Budget Basics

*What is the difference between **Levy** based budget **Special Area Rate** budget and **User fee** budget?*

Levy based budgets are supported mainly by property tax dollars collected on all assessed property and include the following;

Policing, Planning, By-Law Enforcement, Fire, Transportation, Recreation, Economic Development, Conservation Authorities, Library, General Administration, Council, Community Grants, Cemetery, Animal Control

Special Area Rate (SAR) budgets are supported by property tax dollars collected from specific areas. Streetlighting budget is a special area rate budget

User Fee based budgets are supported by user fees and permits and include the following services;

Water, Sewer, Solid Waste and Building

Budget Basics

- *How are municipal services funded?*
  - Property taxes fund approximately 80% of the total levy-based budget requirements
  - User Fees
  - Permits and Licence Fees
  - Grants (OMPF, OCIF, Gas tax, etc)
  - Interest on investments
  - Sales (ie cemetery lots)
  - Donations

Budget Basics

- Ontario Municipal Partnership Funding (OMPF) - offsets operating expenses
  - 2019 funding allocation has not yet been announced
  - 2018 funding was $1,455,300
- AMO-Gas Tax Funding – utilized for capital funding
  - 2019 funding allocation is $306,274
- Ontario Community Infrastructure Fund(OCIF) Formula based funding – utilized for capital funding
  - 2019 funding allocation is $673,392

Budget Basics

Assessment

Assessment Cycle – 2017 – 2020

- 2016 was a reassessment year based on a valuation date of January 1, 2016
- Market increase is phased in equally over 4 years

2019 Assessment

- 2019 Phase-in assessment change is projected at 8.2%
  - which equates to $486,182 in taxation revenue (without any tax rate increase)
- 2019 Growth assessment change is projected at 0.8%
  - which equates to $66,916 in taxation revenue

Budget Basics
Tax Rate vs tax levy

Tax Rate

- Assessment Value * tax rate = $Taxes payable

There are 3 tax rates on tax bill;

- Municipal tax rate
- County Tax Rate
- Education Tax Rate

Example:

1.0% tax rate; $260,000 assessment

$2,600 in taxes levied

Tax Levy

- Total $ expected to be collected by the Municipality
- Increases proportionately with changes in assessment values and growth (new assessment)

Note:
With the tax rate held constant (0% tax *rate* increase) tax levy will increase as a result of assessment growth as per MPAC[1]

[1] Municipal Property Assessment Corporation

Building the Budget

- Managers develop Operating and Capital Budgets
  - Completed by October 31, 2018
- Budget review with Finance/CAO
  - November/December 2018
- Public Input – Pre budget Survey
  - December 2018
- Council Budget Overview & Direction
  - January 9, 2019
- Budget Deliberations
  - January/February 2019
- Budget Adoption
  - March 2019

2019 Budget Strategy

- In order to maintain current levels of service it is assumed the base budget less any one-time projects from 2018 is the starting point for building the 2019 budget. This includes regular items like wages, benefits, utilities, supplies, contracted services, debt payments, etc.
- Utilities and insurance are estimated with an CPI increase of 2%
- Wages are estimated with a 2.2% COLA (per Pay Admin policy Ontario CPI for September each year)
- Capital replacement reserve was maintained at current level. A new contribution strategy will be developed as part of the asset management plan.
- All other operating changes were identified by a change request

2019 Operating budget process

2018 Base Budget = Approved 2018 operating budget less any one-time projects, such as election expenses, website costs, etc.

Change Requests include

- Annualization (CPI changes, contractual changes, etc)
- Legislated Initiatives (as result of legislation such as Asset Management Legislation)
- One Time Special Initiatives (special projects for this budget year, such as Development Charges study)
- Changes in Levels of Service (initiatives that increase/decrease the levels of service)

2019 Budget Reporting Divisions

(based on Ministry reporting requirements)

- **General Government**
  - General Admin/Economic Development
  - Corporate Services
  - Council
- **Protection Services**
  - Police / Police Services Board
  - Fire
  - Building
  - By-Law
  - Animal Control
  - Conservation Authorities
- **Transportation Services**
  - Roads
  - Bridges & Culverts
  - Winter Control
  - Storm Water Management
  - Streetlighting
- **Environmental Services**
  - Solid Waste
  - Water
  - Sewer
- **Recreation & Cultural Services**
  - Parks
  - Arenas & Facilities
  - Programs
  - Community Centres
  - Cultural Services
  - Library
- **Health Services**
  - Cemeteries
- **Planning & Development**
  - Planning

Unknowns

- Ontario Municipal Partnership Funding (OMPF)
  - 2019 Allocation unknown
  - Minister of Finance is conducting a detailed review of this transfer payment
  - Correspondence indicates Ministry is operating with a smaller funding envelope, however focus of review to support the Northern and rural municipalities that need it most

- Upper Thames Conservation – have not received 2019 budget

Budget Pressures

- Aging infrastructure and equipment
- Cost of living
- Policing costs
- Health & Safety Regulations
- Asset Management Regulations
- Minimum Maintenance Standards
- Increased fuel and vehicle maintenance costs

Reserves & Reserve Funds

- **Reserves** are an appropriation from net revenues at the discretion of Council
  - they have no reference to any specific asset and does not require the physical segregation of money
  - Any interest earned are reported as part of the general fund revenue

- **Reserve Funds** are established by Council an/or when a statute requires revenue received for a special purpose be segregated from the general revenues
  - e.g. Development Charges Revenues

- Reserve and Reserve Fund Policy and Procedure adopted by Council
  - Contains a schedule of purpose of the reserve and recommended reserve levels

Reserves & Reserve Funds

- Maintaining sufficient balances in reserves and reserve funds is a critical component of a municipality's long term financial plan;
  - Strengthens its long term financial sustainability
  - Helps to minimize fluctuations in the tax rate
  - Provides funding to sustain infrastructure

- Based on our level of debt it is important to continue to maintain a consistent commitment to reserves in order to have sufficient revenues for future capital needs

Reserves

			Transfers In			Transfers Out			2018 Estimate	
RESERVES	ACCOUNT NUMBER	BALANCE DEC.31,2016	Contributed from General	Interest Earned	Contr from Capital	Transfer to General	Transfer to Capital	BALANCE DEC.31,2017	**Estimated** Amounts Committed to Projects(Contribution)	**ESTIMATED** BALANCE Dec 31, 2018
WORKING FUND RESERVE	0000-33-0000	(1,716,749.65)	(473,607.00)		(482,979.67)		118,724.04	(2,554,612.28)	652,732.67	**(1,901,879.61)**
BENEFITS CONTINGENCY RESERVE	0000-33-0100	(115,397.84)						(115,397.84)		**(115,397.84)**
INSURANCE CLAIMS CONTINGENCY RESERVE	0120-33-0700	(5,939.50)						(5,939.50)		**(5,939.50)**
GRANT RESERVES (UNUSED $)	0000-33-0500	-						-		**-**
GREEN INITIATIVES (Energy MgmntPlan)	0000-33-0300	(9,175.86)						(9,175.86)		**(9,175.86)**
ELECTION RESERVES	0120-33-0001	(14,000.00)	(7,000.00)					(21,000.00)		**(21,000.00)**
COMMUNITY IMPROVEMENT-INCENTIVE PROGRAM	0120-33-0002	(35,000.00)	(35,000.00)					(70,000.00)		**(70,000.00)**
OPP CONTRACT STABILIZATION RESERVE	0290-33-0000	(422,247.00)				53,641.00		(368,606.00)		**(368,606.00)**
WINTER CONTROL STABILIZATION RESERVE	0320-33-0000	(58,451.00)	(56,087.00)					(114,538.00)		**(114,538.00)**
SHRC RODEO	0720-33-0000	(53,889.26)	(9,787.00)					(63,676.26)		**(63,676.26)**
SH EARLY CHILDHOOD LC	0630-33-0000	(9,915.75)						(9,915.75)		**(9,915.75)**
TELEPHONE RESERVE (Dept Specific Reserve)	0120-33-0400	-						-		**-**
HURON PARK FIRE (Dept Specific Reserve_	0221-33-3700	(7,681.00)						(7,681.00)		**(7,681.00)**
ROADS RESERVE (Dept Specific Reserve)	0310-33-0000	(82,332.00)					25,000.00	(57,332.00)		**(57,332.00)**
TREE REPLACEMENT RESERVE	0310-33-0000-0022	-	(10,000.00)					(10,000.00)		**(10,000.00)**
STREETLIGHT RESERVE (Dept Specific Reserve)	0340-33-0000	(273,639.07)	(8,542.23)			46,193.35	82,438.32	(153,549.63)		**(153,549.63)**
EXETER POOL (Dept Specific Reserve)	0739-33-0000	(93,000.00)					6,735.80	(86,264.20)	75,000.00	**(11,264.20)**
MACNAUGHTON PARK WASHROOMS	0739-33-0000-0001	(10,000.00)	(10,000.00)		(15,000.00)			(35,000.00)	35,000.00	**-**
SOUTH HURON WATER (Dept Specific Reserve)	0430-33-0000	-	(2,857,520.94)					(2,857,520.94)		**(2,857,520.94)**
STEPHEN WATER (Dept Specific Reserve)	0432-33-2300	(110,092.79)						(110,092.79)		**(110,092.79)**
GRAND BEND SEWERS (Dept Specific Reserve)	0412-33-0000	-						-		**-**
EXETER SANITARY SEWERS (Dept Specific Reserve	0410-33-0000	-						-		**-**
SOLID WASTE (Dept Specific Reserve)	0450-33-0000	(418,843.04)				69,800.15	196,337.07	(152,705.82)		**(152,705.82)**
	TOTAL	**(3,436,353.76)**	**(3,467,544.17)**	**-**	**(497,979.67)**	**169,634.50**	**429,235.23**	**(6,803,007.87)**	**762,732.67**	**(6,040,275.20)**

Reserves & Reserve Funds

Capital replacement reserves strategy

- Present Strategy was adopted in 2008
  - 10 year phase-in strategy for contributions to the capital replacement reserves
  - Annual contribution dependent on budget pressures, with a minimum contribution equal to previous year
  - Contribution based on amortization values
  - 25% of amount contributed can be used for current year capital asset replacement
- Strategy moving forward – phased approach
  - Model lifecycles of the assets beyond age based conditions
  - Annualize the cost of the assets to determine optimal funding
  - Consider current financial constraints and develop a phased plan to reach optimization
  - Start with core assets and expand to all asset classes while maintaining status quo (amortization approach)

Reserves & Reserve Funds

Capital Replacement Reserves

CAPITAL REPLACEMENT RESERVE-USER FEE PRGS	****-33-0000-9000	(7,123,754.97)	Transfers In			Transfers Out		(7,823,688.39)		
Sewers Capital Replacement Reserve	0410-33-0000-9000	(2,237,608.23)	(468,584.16)				588,042.78	(2,118,149.61)	1,749,338.00	**(368,811.61)**
GB Sewers Capital Replacement Reserve	0412-33-0000-9000	(227,061.00)	-					(227,061.00)	227,061.00	**-**
Water Capital Replacement Reserve	0430-33-0000-9000	(4,495,167.08)	(800,000.04)					(5,295,167.12)	1,018,533.00	**(4,276,634.12)**
Landfill Capital Replacement Reserve	0450-33-0000-9000	(163,918.66)	(19,392.00)					(183,310.66)	(19,300.00)	**(202,610.66)**
CAPITAL REPLACEMENT RESERVE-LEVY PRGS	****-33-0000-9000	(3,022,111.74)						(3,604,722.04)		
General Admin Capital Replacement Res	0120-33-0000-9000	(143,666.97)	(44,286.60)					(187,953.57)	(52,313.00)	**(240,266.57)**
Fire Capital Replacement Reserve	0220-33-0000-9000	(541,641.25)	(169,685.52)					(711,326.77)	(129,181.00)	**(840,507.77)**
Building/Dev Capital Replacement Reserve	0240-33-0000-9000	(18,282.61)	(3,230.04)					(21,512.65)	(3,279.00)	**(24,791.65)**
Bridges/Culverts Replacement Reserve	0310-33-0000-0010	(265,000.00)	-					(265,000.00)		**(265,000.00)**
Transportation Capital Replacement Reserve	0310-33-0000-9000	(1,790,615.89)	(787,552.45)				522,666.77	(2,055,501.57)	204,298.00	**(1,851,203.57)**
Streetlighting Capital Replacement Reserve	0340-33-0000-9000	(17,647.67)	(23,118.96)					(40,766.63)	(22,160.00)	**(62,926.63)**
Cemetery Capital Replacement Reserve	0550-33-0000-9000	(65,831.00)	(6,579.72)					(72,410.72)	(10,179.00)	**(82,589.72)**
Recreation Capital Replacement Reserve	0730-33-0000-9000	(179,426.35)	(104,204.28)				33,380.50	(250,250.13)		**(250,250.13)**
TOTAL RESERVES	TOTAL	**(13,582,220.47)**	**(5,894,177.94)**	**-**	**(497,979.67)**	**169,634.50**	**1,573,325.28**	**(18,231,418.30)**	**3,725,550.67**	**(14,505,867.63)**

Reserve Funds

			Transfers In			Transfers Out				
DISCRETIONARY RESERVE FUNDS	ACCOUNT NUMBER	BALANCE DEC.31,2016	Contributed from General	Interest Earned	Contr from Capital	Transfer to General	Transfer to Capital	BALANCE DEC.31,2017	Estimated Amounts Committed to Projects(Contribution)	**BALANCE**
DASHWOOD CDF	0991-33-0000	(79,012.54)		(842.98)				(79,855.52)		**(79,855.52)**
WEBBER PIT RESERVES	0131-33-0000	(33,086.92)		(353.00)				(33,439.92)		**(33,439.92)**
EXETER-CEMETERY EXPANSION	0550-33-4440	(474.90)		(5.99)				(480.89)		**(480.89)**
EXETER-CEMETERY COLUMBARIUM	0550-43-440	(18,243.39)	(7,102.88)	(193.72)				(25,539.99)		**(25,539.99)**
LANDFILL PERPETUAL CARE FUND	0450-43-0000	(313,438.80)	(87,347.36)	(3,344.04)				(404,130.20)		**(404,130.20)**
AMENITY FEE-COMMUNITY FUNDING (Turbines)	0120-43-0000-0150	(293,295.80)	(332,003.45)	(3,129.14)		20,241.90		(608,186.49)	288,696.50	**(319,489.99)**
SHRC - RESERVE FUND DRESSING ROOM PROJECT	0730-43-0000	(25,455.78)		(271.58)				(25,727.36)		**(25,727.36)**
BLDG CODE-REVENUE STABILIZATION RESERVE FU	0240-43-0000	(500,089.48)	(43,241.55)	(5,335.40)				(548,666.43)		**(548,666.43)**
BLDG CODE-LEGAL/INSURANCE RESERVE FUND	0240-43-0100	(300,053.69)	(25,944.93)	(3,201.24)				(329,199.86)		**(329,199.86)**
BLDG CODE-CAPITAL RESERVE FUND	0240-43-9000	(200,035.76)	(17,296.62)	(2,134.16)				(219,466.54)		**(219,466.54)**
RESERVE FUNDS - Sub Total	**Sub-Total**	**(1,763,187.06)**						**(2,274,693.20)**		**(1,985,996.70)**
KIRKTON WOODHAM POOL	0738-43-0000	-						-		**-**
EXETER CDF	0990-43-0000	(316,384.92)	(42,925.52)	(3,375.47)			22,713.41	(339,972.50)	207,074.48	**(132,898.02)**
TOTAL DISCRETIONARY RESERVE FUNDS		**(2,079,571.98)**	**(555,862.31)**	**(22,186.72)**		**20,241.90**	**22,713.41**	**(2,614,665.70)**	**495,770.98**	**(2,118,894.72)**
OBLIGATORY RESERVE FUNDS-DEFERRED REVENUE			**Transfers In**			**Transfers Out**				
DEVELOPMENT CHARGES-Other Services	0810-43-0100	(8,181.42)	(4,416.00)	(87.29)				(12,684.71)		**(12,684.71)**
DEVELOPMENT CHARGES - Fire	0810-43-0220	(7,571.92)	(8,578.00)	(80.78)				(16,230.70)		**(16,230.70)**
DEVELOPMENT CHARGES-Transportation	0810-43-0310	(132,064.76)	(39,330.00)	(1,408.98)				(172,803.74)		**(172,803.74)**
DEVELOPMENT CHARGES-Sewers System	0810-43-0410	(262,800.13)	(10,013.00)	(2,803.78)				(275,616.91)		**(275,616.91)**
DEVELOPMENT CHARGES-Water System	0810-43-0430	(805.90)	(31,752.00)	(8.60)		11,893.00		(20,673.50)		**(20,673.50)**
DEVELOPMENT CHARGES-Parks & Recreation	0810-43-0730	(51,550.54)	(29,976.00)	(549.99)				(82,076.53)		**(82,076.53)**
TOTAL DEVELOPMENT CHARGES	**Sub Total**	**(462,974.67)**	**(124,065.00)**	**(4,939.42)**	**-**	**11,893.00**	**-**	**(580,086.09)**		**(580,086.09)**
PARKLAND RESERVES	0002-53-7200	(67,961.69)	(4,500.00)	(725.08)				(73,186.77)	64,000.00	**(9,186.77)**
FEDERAL GAS TAX REVENUE	0120-43-0000	0.12						0.12		**0.12**
OCIF Funding	0120-43-0000-0001	-		(1,759.42)	(74,459.56)			(76,218.98)		**(76,218.98)**
TOTAL OBLIGATORY RESERVES FUNDS & DEFERRED REVENUE		**(530,936.24)**	**(128,565.00)**	**(7,423.92)**	**(74,459.56)**	**11,893.00**	**-**	**(729,491.72)**	**64,000.00**	**(665,491.72)**

Debt

- How much debt is too much?
  - Ministry of Municipal Affairs and Housing offers guidance in the form of a 25 percent Annual Repayment Limit (ARL) for municipalities as outlined in O. Reg 403/02
  - Means when municipality wants to borrow it is limited to no more than 25 percent of its own source revenue (taxation, user fees/charges, investment income, etc)
  - Debt cannot extend beyond the lifetime of the capital work for which the debt was incurred and cannot exceed 40 years.

Debt

Current Position

- Total Outstanding Debt as of December 31, 2017 = $22,309,438
- Total Debt Servicing as of December 31, 2017 = $ 1,859,048

- Provincial Maximum is 25%
- South Huron's Annual Debt Repayment limit is 11.9%
  - This is considered high by provincial indicators

Debt

Debt Allocation by Asset Category (as of December 31, 2017)

Water	= $11,165,108
Sewer	= $10,386,849
Recreation	= $ 757,481
Total	= $22,309,438

New Debt Commitments

Exeter & District Swimming Pool - $864,000 (per 2018 budget document)

Where we are

2019 Proposed Budgets

- $9.2M Capital Projects (Levy & User)
- $18.5M Operating Costs (Levy & User)

Estimated tax impact based on 2019 estimates to date	Increase $ (Decrease)$	Increase $ (Decrease)$
Based on a 11.58% Levy Increase	**Rural**	**Urban**
Annual Increase on $100,000 residential Assessment	$ 25.53	$ 32.52
Annual Increase on home assessed at $265,000 (SH Average)	$ 67.65	$ 86.17
Tax Rate Increase	4.5%	4.9%

2018 Tax Impact	Increase $ (Decrease)$	Increase $ (Decrease)$
Based on a 6.70% Levy Increase	**Rural**	**Urban**
Annual Increase on $100,000 Residential assessment	$ 0.91	$ 5.60
Annual Increase on home assessed at $233,505 (SH average)	$ 2.13	$ 13.07
Tax Rate Increase	0.16%	0.84%

Council Input/Questions

2019 Budget Survey Results/Analysis

December 2018 staff released a 2019 budget survey to get feedback from the Community. In the past, public open houses have not yielded the results or attendance resulting in a change in strategy.

Online, anonymous feedback has proven successful with 152 responses coming in. There we a multitude of questions that will assist staff operationally, directionally and with preparation of the annual Municipal budget.

Please see Appendix A for the complete survey questions.

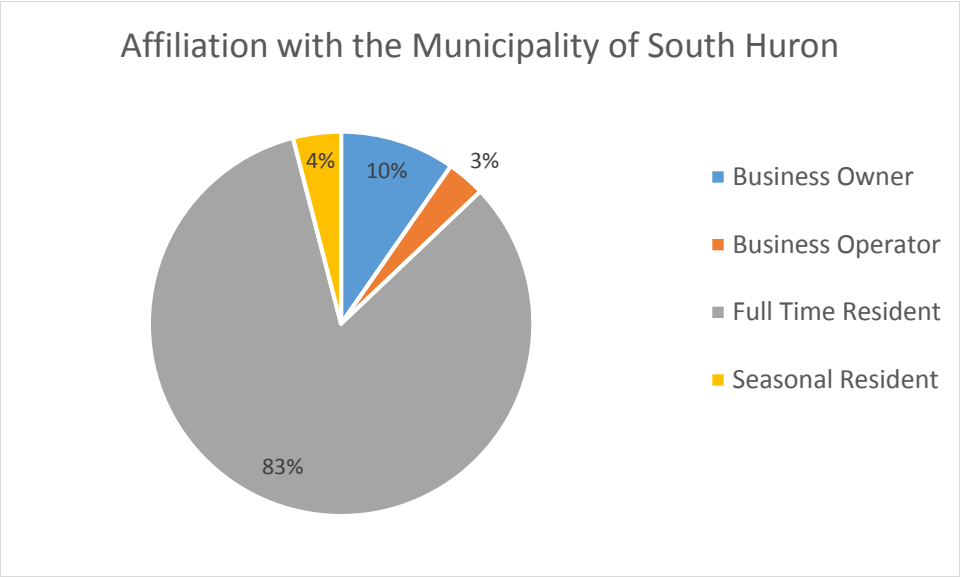
Data Disclaimer:

These data were collected using an open community survey hosted on the municipality's website and promoted using South Huron social media properties. This is a quick, inexpensive method for capturing community input to inform Council's decision; however, these results should only be considered as a summary of participant responses (i.e., descriptive statistics). No inferences can be made about how accurately survey results reflect the overall community sentiment without a random sampling method. Random sample (i.e., scientific) surveys are expensive, take more time to complete and are typically only conducted for large-scale capital projects.

Demographic Information

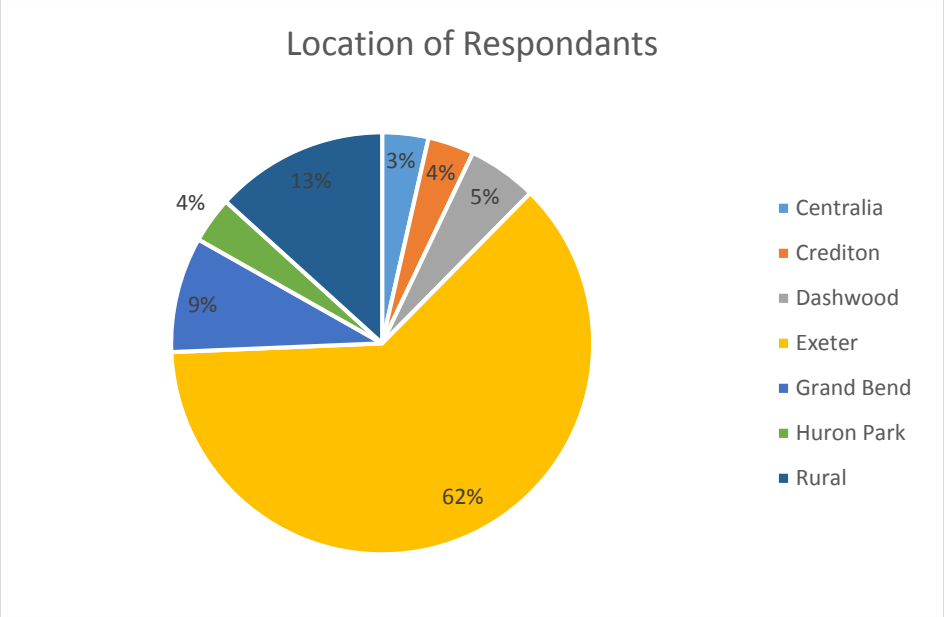
What is your affiliation with the Municipality of South Huron?

Respondents were able to pick more than one type of affiliation which has been reflected in the results. The largest representative group were full-time residents, which is to be expected.



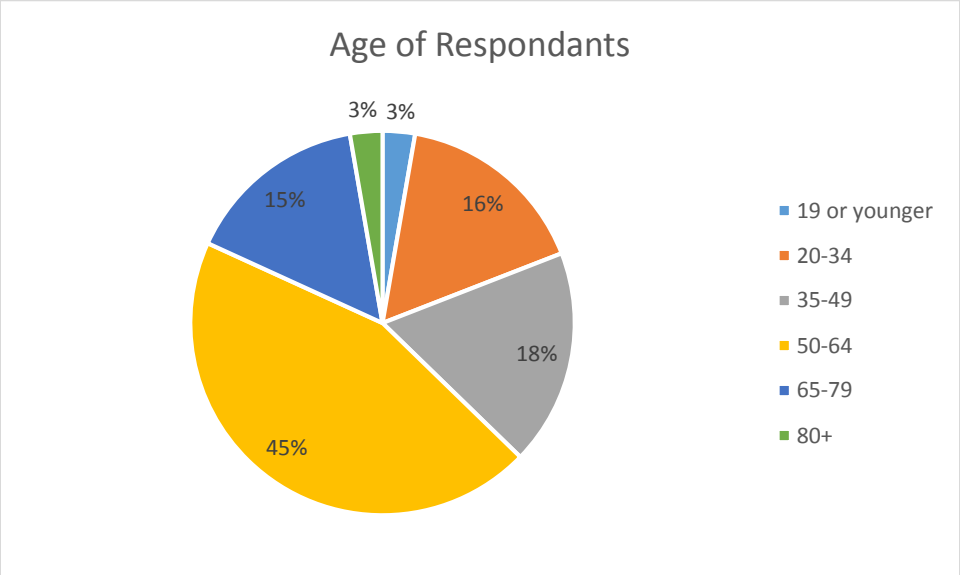
Where do you live in South Huron?

The most responses to the budget survey came from Exeter.



Please indicate your age range

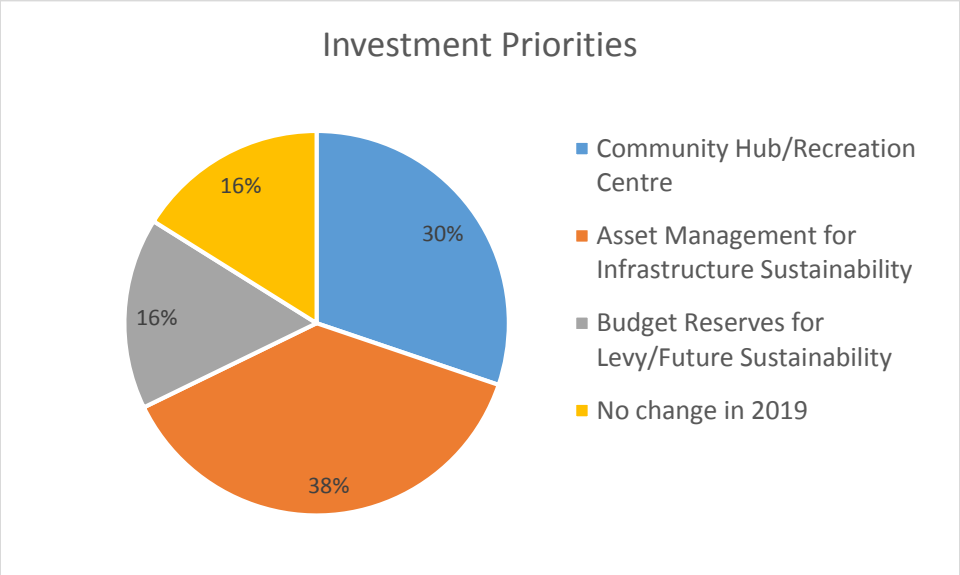
The age group with the most responses was the 50-64 year old category, however there is representation from the 20-49 groups as well as the 65-79. This showed a reasonable spread.



2019 Budget Directions (and beyond)

Where would you like to see investment in the 2019 budget?

Respondents were able to choose more than one option to reflect multiple priorities. This has been reflected in the % breakdown. The priorities seem to lie within the realm of asset management showing the demand for pre-planning and evidence based budgeting.

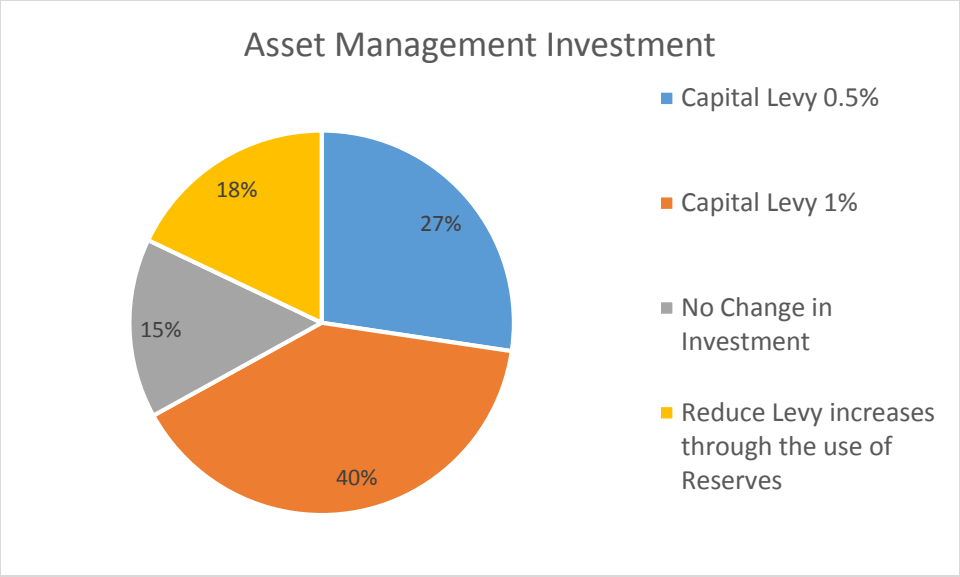


The Municipality is developing an asset management strategy to repair or replace our ageing core infrastructure. Which approach would you prefer?

This question was designed to assess the understanding and willingness/ability to engage in the strategies listed. It is a great question to serve the 2019 budget, but also operations and asset management planning which is going to be a great tool for the Municipality.

Ageing infrastructure is a problem in all Municipalities resulting in a backlog of major capital maintenance or asset replacements. The backlog requires a strategic, long-term financial strategy.

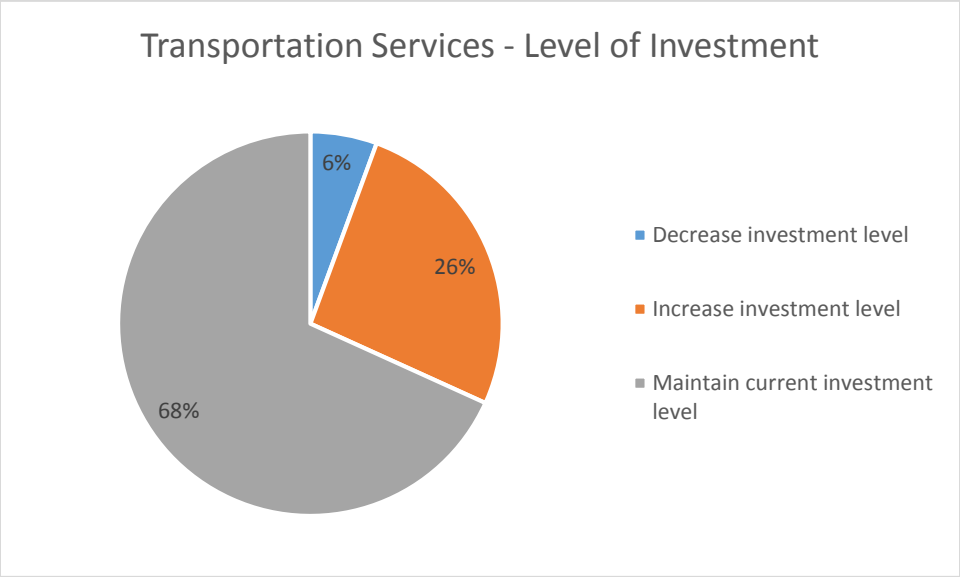
The following graph demonstrates there is value in the community to dedicated infrastructure (capital) funding. This is imperative for future direction and ensuring a proactive, efficient and economical approach to our asset that are used daily to provide the services.



Transportation Services

What would you like to see in 2019?

Respondents were given a choice between decreasing, increasing or maintaining the current level of investment. This is used to assess the appetite or willingness to pay for services. The result was to maintain the current investment level which, beyond typical changes in input prices, interest, contracts, etc., means efficiencies will need to be achieved in order to meet minimum maintenance standards.



Feedback from the budget survey:

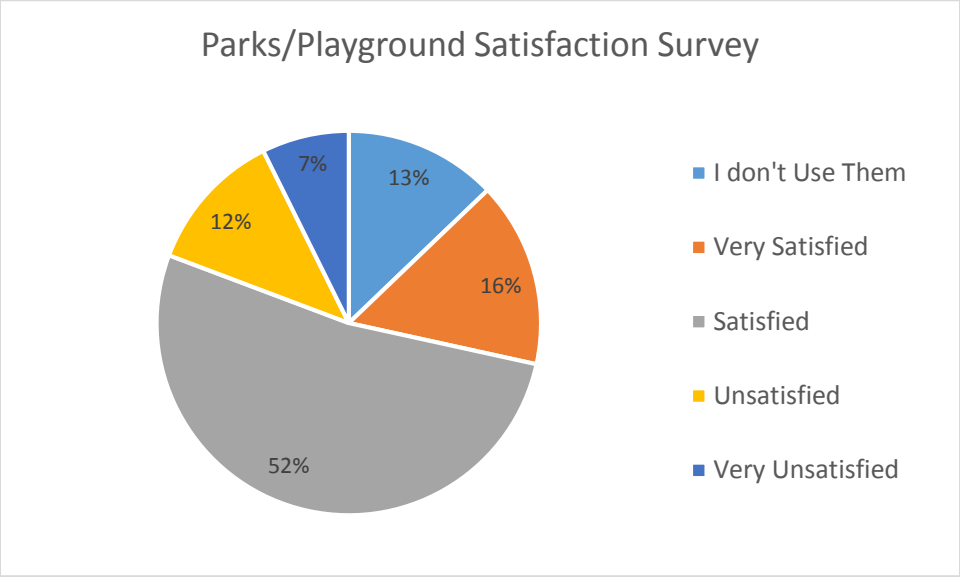
- Preventative maintenance to avoid future expensive, reactive investment requirements (ex. Mollard Line)

- Accessible parking spots in the downtown core
- Improve sidewalks in the smaller communities in South Huron
- Establish healthy reserves to ensure sustainability of our roads infrastructure
- Public transportation
- Invest in quality infrastructure as they are critical assets
- Pave gravel roads (plan)
- Meet minimum maintenance standards, specifically for sidewalks
- Asset Management Planning for Roads to ensure efficiency in spending
- Consider the impact of development North of Exeter
- Policy/Planning for storm water management

Recreation & Cultural Services

Considering our parks, playgrounds and their maintenance, how satisfied are you with these services?

It appears most residents are satisfied with the services offered by the parks and playgrounds. Some of the comments/suggestions have been included as feedback to provide context to this data.



Feedback and suggestions for the parks/playgrounds in the Municipality of South Huron:

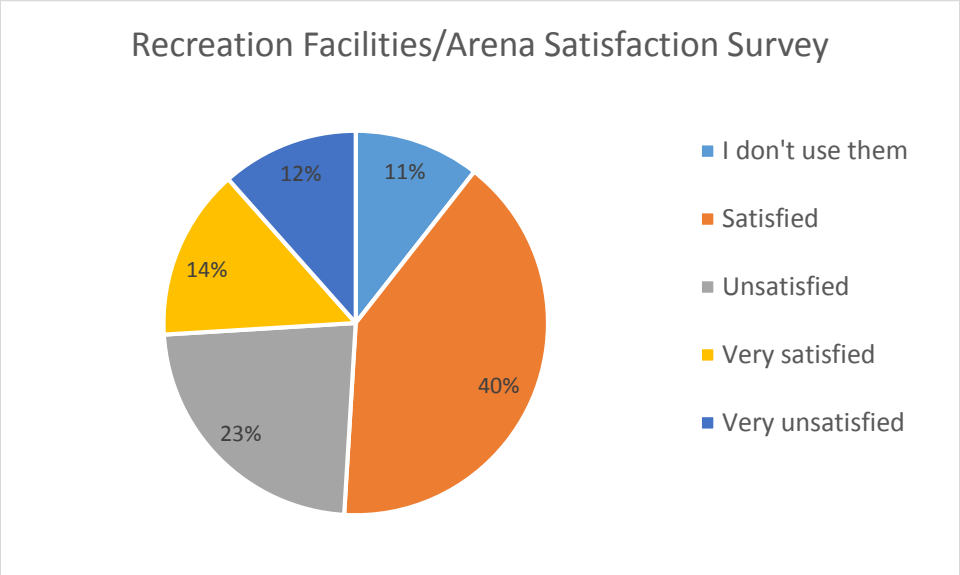
- Revamp the overnight campground in Exeter
- Multipurpose facility beyond ice rink usage; Example: gymnasium that could be used for other sports/programs
- Swing for accessibility at the parks (wheelchair accessibility)
- Waive the entrance fee at Port Blake for South Huron residents
- Increase involvement of the Community Groups in the parks (example: Lioness/Lions Club Park commitments)

- Increase the maintenance/service level of the ball diamonds throughout the Municipality (Centralia specifically mentioned)
- Dog Park in Exeter
- Walking Track indoors
- Update/maintain the arena(s)
- BBQ in McNaughton Park replaced with fully working units
- McNaughton Park parking lot – paved
- Significant lack of programs in South Huron
- Victoria Park Wading pool hours – suggestion was to survey young families to determine higher demand hours
- Victoria Park – barrier between the park facilities and traffic (ex. Hedge line, fencing, etc.) since this park is geared for toddlers
- Investment in a more permanent version of the farmer's market
- More programming geared towards seniors
- YMCA programming mentioned numerous times
- Too many parks (costly maintenance, underserviced, etc.)
- Received positive feedback on McNaughton trail

It is important to note that the aforementioned suggestions include constructive criticism and legitimate suggestions. There were many comments on the Community Hub under the parks section that will be saved for the arenas/facilities section.

How do you feel about the recreation facilities and arenas in South Huron?

It appears most residents are satisfied with the services offered by the recreation facilities and arenas. Some of the comments/suggestions have been included as feedback to provide context to this data.



Feedback and suggestions for the parks/playgrounds in the Municipality of South Huron:

- Updates to the South Huron Recreation Centre in Exeter

- Dressing room updates and accommodations at the South Huron Recreation Centre
- Upgrades to the halls for rental suitable for more weddings, etc.
- Indoor spaces with programs for kids in the winter
- Cooperation/partnership with neighbouring Municipalities
- No new facility just upgrade the existing
- Programming/Recreation in Huron Park Area
- Walking track has been consistent throughout both Recreation feedbacks spots
- Upgrade Dashwood Hall
- More investment in the cultural aspects in the Municipality (Arts)
- More programming is a very constant point of feedback from youth to seniors; Year round programming, not just summer
- Gymnasium for other types of activities to cater to a diverse set of interests and purposes
- Indoor pool – some stating their support and some stating the infeasibility with our small tax base
- Detailed studies on the recreation centre/hub with options contrasting building new or renovating existing for the most cost effective solution

It is important to note that the aforementioned suggestions include constructive criticism and legitimate suggestions.

Feedback to the Survey Respondents

- Paving specific areas/roads
  - This will be part of the asset management plan including risk of failure and consequence of failure metrics in addition to road/base condition analysis. Please refer specific requests to Council.
- Gas Tax Funding – where does this go?
  - Currently the Municipality has committed OCIF and AMO Gas Tax grant funding to the roads, bridges, and culverts.
- What does transportation services cover?
  - As defined in the budget survey introduction this includes the roads network including all bridges/culverts and the equipment/vehicles required to maintain them, municipal drain work, streetlighting, traffic lights, signage, etc.
- Increase maintenance on roads/sidewalks/winter control
  - The Municipality currently meets the Provincial Minimum Maintenance Standards. Any increase in maintenance beyond this would be at a cost. Levels of service will be considered as part of the asset management planning and include a public consultation aspect.
- What is the current level of funding?
  - The 2018 operating budget for Transportation Services included total expenses of $3.18M.
- Utilize MPAC phase-in and growth of 5-6% annually for roads.
  - The MPAC amounts are generally required to offset increases in materials/construction contracts, utilities, insurance, service contracts, etc. The cost of operations increases annually, at least with a rate similar to the Consumer Price Index (CPI) or Inflation as it does with households. Thus, an operating budget is anticipated to increase year over year so additional phase-in/growth amounts due to changes in MPAC assessment values are required to offset these costs.
  - The dedicated capital levy was put out as a palatable option for addressing a long term strategic financial strategy as part of the asset management planning.
- Neighbouring Municipalities working together to support Recreation & Cultural Services
  - South Huron continues to look at ways of partnering with neighbouring municipalities where feasible to do so.

Appendix A – 2019 Budget Survey

Welcome!

This 10 minute survey provides information about the municipality's budget. It's also an opportunity for you - our ratepayers - to have a say in the process to establish priorities.

We're not collecting personal information with this survey and you don't have to answer any questions you don't want to.

Thank you for your input!

Types of Budgets

The **Operating Budget** consists of the day-to-day operations of each department. This includes providing services, maintenance/repair activities, as well as administrative activities.

The **Capital Budget** consists of major maintenance events or the replacement of assets to deliver services to residents, businesses and visitors.

Services Provided by the Municipality of South Huron

The Municipality provides dozens of services that the public relies on everyday. The following list identifies a few of these key services:

- Building and planning services for new developments, site plans and renovations
- Clerk services including marriages, commissioning, notaries, freedom of information requests and election management
- Municipal roads, bridges and culvert maintenance as well as storm water management activities to prevent flooding. We also ensure snow removal and safe road access in all seasons. Gravel road maintenance, dust control, and grading of municipal roads are also service we provide. This work is governed by the province's Minimum Maintenance Standards.
- Water services that ensure access to safe drinking water, which is strictly monitored 24/7 to meet provincial standards for water quality
- Sanitary sewer services ensure the removal and treatment of waste water, which is also heavily regulated by the province
- Arenas and community centers, which are used for recreational activities by all ages
- Parks and pools
- Economic and community development activities that enrich the community in which we live, work and play
- Cemetery plots and interments as per the Bereavement Authority of Ontario (BAO)
- Financial and administrative services

- OPP and Police Board services
- Fire prevention, suppression and public safety education

“Own Source” Funding

To deliver public services, South Huron generates revenue through two means:

Tax Levy, which are the dollars levied by multiplying the tax rate and the assessment values in the community. This is the primary source of funding in order to provide the services.

User Fees such as include water/sewer fees, landfill charges, garbage/recycling fees, cemetery user fees and recreation user fees. User fees help reduce the tax levy.

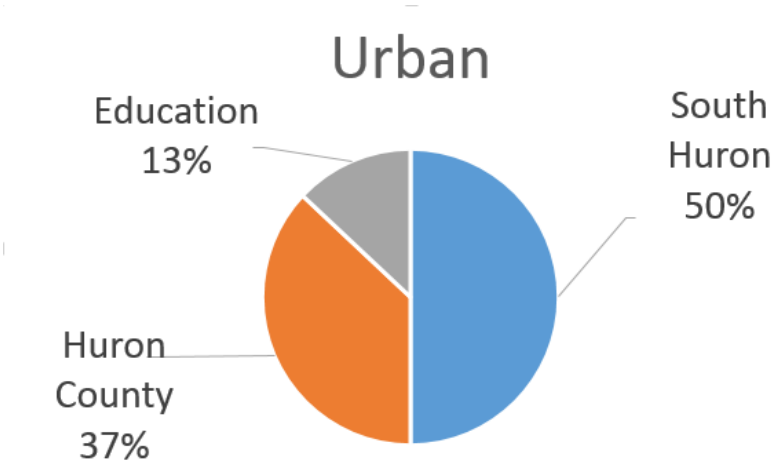
Tax Rates vs. Tax Levy

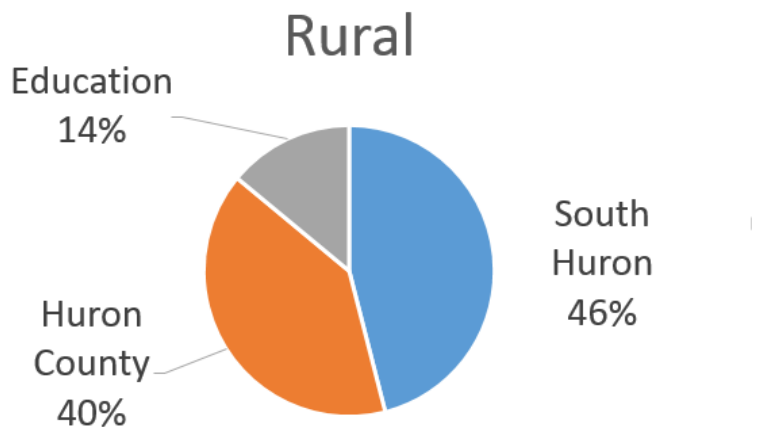
Tax Rate – Multiplied by the assessment value to get the total taxes owing.

Tax Levy – Total amount required to fund the operating and capital budgets for levy-based services.

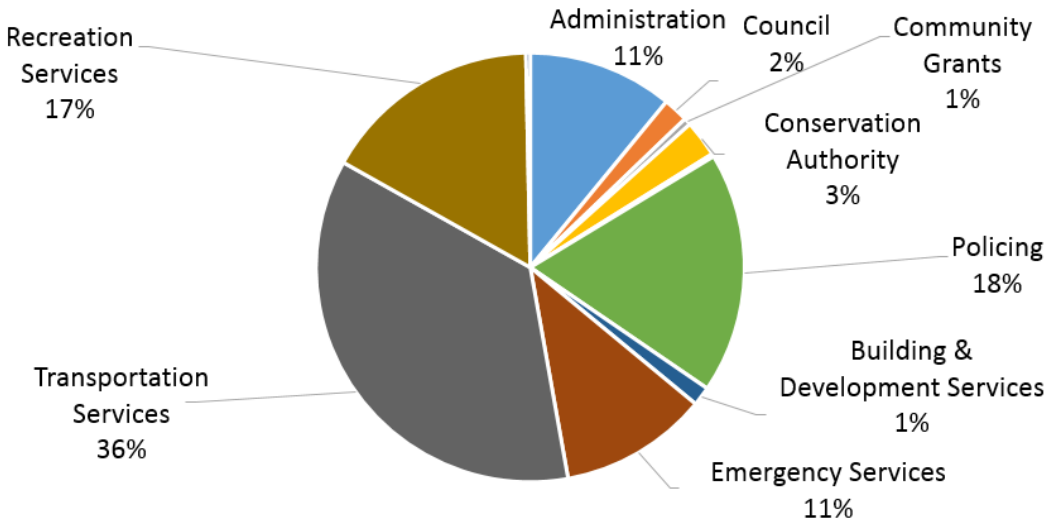
Your Property Tax Bill

A percentage of your tax bill funds the Municipality of South Huron. Your property tax bill also collects revenue to fund the County of Huron and local school boards, which are independent entities that determine their own tax rates. The charts, below, show how much of your tax bill goes to each governing body. The difference between rural and urban percentages is based on slightly different police service costs, as defined in the Amalgamation Order.





Percentage of Tax Bill by Department (based on 2018 budget)



What do you think?

Tell us a little about yourself and what your priorities are.

1. What communication methods do you prefer to receive information about the Municipality of South Huron? (you can choose more than one)

- ☐ Newspaper
- ☐ Municipal Website
- ☐ Facebook
- ☐ Twitter
- ☐ Local Radio
- ☐ Word of Mouth
- ☐ Community Signs/Posters

2. What is your affiliation with the Municipality of South Huron?

- ☐ Full Time Resident
- ☐ Seasonal Resident
- ☐ Business Owner
- ☐ Business Operator

3. Where do you live in South Huron?

- ☐ Centralia
- ☐ Crediton
- ☐ Dashwood
- ☐ Exeter
- ☐ Grand Bend
- ☐ Huron Park

- [ ] Rural

4. Please indicate your age:

- ○ 19 or younger
- ○ 20-34
- ○ 35-49
- ○ 50-64
- ○ 65-79
- ○ 80+

5. Where would you like to see investment in the 2019 budget? (you can choose more than one)

- [ ] A Community Hub / Recreation Centre Project
- [ ] Budget reserves to ensure levy stability and future sustainability
- [ ] Asset management to ensure the sustainability of our infrastructure
- [ ] I'd rather not invest and keep the 2019 budget to last year's amount.

6. The Municipality is developing an asset management strategy to repair or replace our ageing core infrastructure (e.g., roads, bridges and culverts). Which approach would you prefer?

- ○ Dedicate a capital levy of 1%, which amounts to an annual increase in your tax bill of approximately $6.07 per $100,000 of residential assessment value.
- ○ Dedicate a capital levy of 0.5%, which amounts to an annual increase in your tax bill of approximately $3.03 per $100,000 of residential assessment value.
- ○ Use some reserve money set aside for urgent repairs to ease levy increases over the short term.
- ○ No change, I don’t want to invest more in asset management.

Transportation

Transportation includes the following services and all the required equipment to service/maintain the assets in the network:

- Roads – paved/unpaved
- Sidewalks
- Storm Water Management
- Winter Control – snow removal/plowing, sanding/salting, etc.
- Roadside Operations – traffic lights, signage, streetlights, etc.
- Bridges and Culverts
- Municipal Drains

The main source of funding for roads is the tax levy due to the fact there is no way to recover user fees and roads need to be available and accessible for all residents, businesses and visitors.

Transportation must adhere to Ontario legislation dictating the minimum maintenance standards for the aforementioned services. This is one of the most robust departments within the Municipality yet critical to ensurig the movement of people within the Municipality of South Huron.

The asset network for Transportation Services is massive as the Municipality has approximately 178 km of gravel roads and 170 km of paved road, as per the 2016 Asset Management Plan. As part of each road there is a number of components, from surface to base to storm water aspects.

1. Transportation Services is dependent upon the tax levy for funding. What would you like to see in 2019?

- ○ Increase investment level
- ○ Maintain current investment level
- ○ Decrease investment level

2. Please provide any general suggestions or recommendations for transportation services:

Recreation & Cultural Services

Recreation & Cultural Services includes the following services and facilities:

- Arenas
- Community Centers
- Programming – including pool, splash pad, playground, dance, karate, gymnastics, etc.
- Parks

Municipally administered recreation activities collect user fees to recover some costs associated with providing these services to the public (e.g., overhead, maintenance, staffing costs, etc). However, currently in South Huron recreation services are subsidized by the tax levy with goal to enable all residents access to participate.

1. Please consider our parks, playgrounds and their maintenance. How satisfied are you with these services?

- [ ] Very satisfied
- [ ] Satisfied
- [ ] Unsatisfied
- [ ] Very unsatisfied
- [ ] I don't use them

2. Based on your answer above, please provide reasoning or recommendations.

3. How do you feel about the recreation facilities and arenas in South Huron?

- ○ Very satisfied
- ○ Satisfied
- ○ Unsatisfied
- ○ Very unsatisfied
- ○ I don't use them

4. Please provide any general feedback on your expectations regarding recreational facilities.

Economic & Community Development

Economic and community development activities lead to improvements in our local economy, environment and society.

What projects would you recommend to take place that would make South Huron a better place to live, work and play?