



Budget 2024

Municipality of Middlesex Centre

Operating Budget - Nov. 15, 2023

Tiffany Farrell, Director of Corporate Services

Agenda

- Municipal Budget Introduction
- 2024 Budget Summary
- Budget Funding
- Budget Operating Costs
- Operating Costs by Service Area
- Final Summary

About this Document

ABOUT THIS DOCUMENT

Acknowledgements

Middlesex Centre undertook a major revision of the content contained in the annual budget book in 2023 and continues refining the materials each year.

Staff calls on research by MTE Consultants and BMA Management Consulting Inc. to provide background to inform the budget development. We thank these firms for the services they have provided Middlesex Centre over the years.

Developing the budget is a significant undertaking that involves many Middlesex Centre Members of Council and staff. Thanks and appreciation are extended to the following their efforts in 2024:

Budget Working Group

- Councillor Frank Berze
- Councillor Sue Cates
- Michael Di Lullo, CAO
- Tiffany Farrell, Director of Corporate Services
- Melissa Kopal, Manager of Finance
- Sean Miller, Financial Analyst
- Heather Kepran, Manager of Strategic Communications

- James Hutson, Manager of Legislative Services & Municipal Clerk
- Arnie Marsman, Director of Building Services, CBO
- Scott Mairs, Director of Community Services
- Justin Fidler, Manager of Community Services
- Kent Ferguson, Community Services Operations Supervisor
- Colin Toth, Director of Emergency Services, Fire Chief
- Scott Roper, Deputy Fire Chief
- Rob Cascaden, Director of Public Works & Engineering
- Andrew Giesen, Manager of Transportation
- Eric Joudrey, Manager of Environmental Services
- Aubrey Guevarra-Jongsma, Asset Management Coordinator

Budget Book Preparation

- Tiffany Farrell, Director of Corporate Services
- Sean Miller, Financial Analyst
- Heather Kepran, Manager of Strategic Communications



About this Document

Assumptions

For the purposes of this budget document, in general all monetary figures are rounded to the nearest dollar, and all other numbers are rounded to the nearest decimal as appropriate.

Release Dates

To increase the time available for Council and the public to review specific sections of the budget, this document was released in two stages, as follows:

- Draft Version
 - Capital budget to be presented to Council at their November 1, 2023, meeting.
 - Operating budget to be presented to Council at their November 15, 2023, meeting.
- Final Draft Version
 - Final draft budget to be presented to Council for their consideration at their December 20, 2023, meeting.

Versions of the budget are posted to the municipal website as they become available.



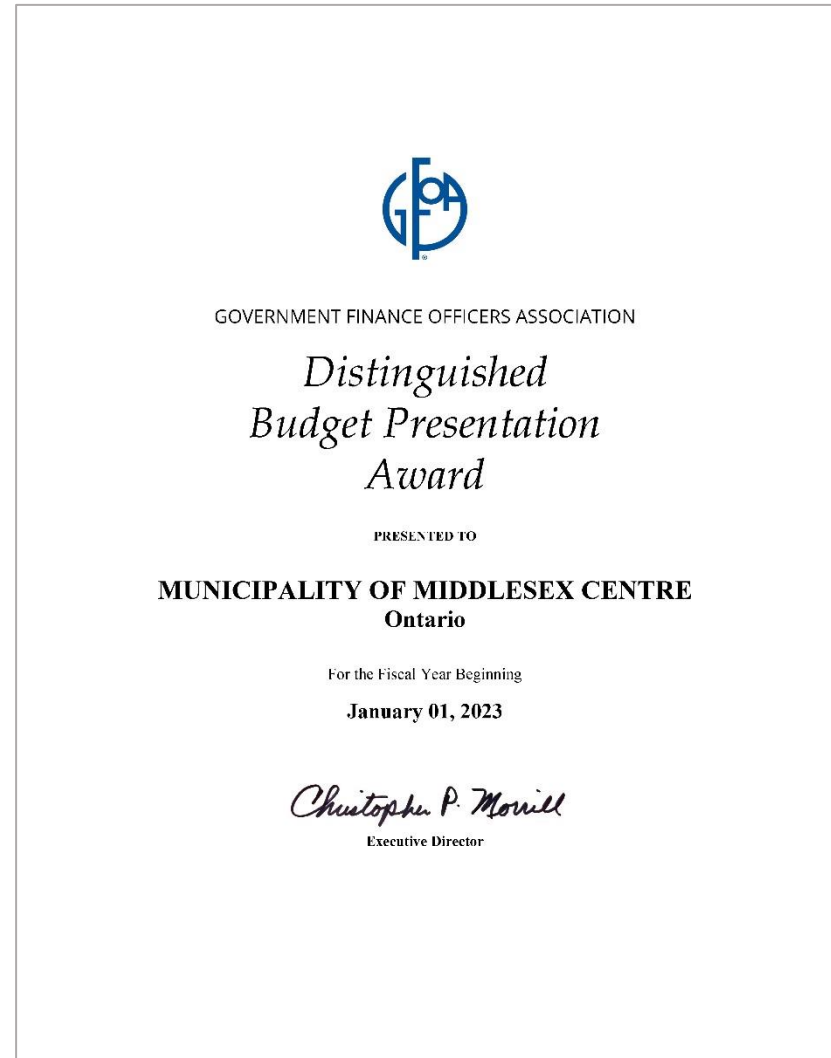
About this Document

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Municipality of Middlesex Centre, Ontario, for its Annual Budget for the fiscal year beginning January 01, 2023.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Considerations in Developing the Budget

Key Issues & Priorities Considered

- Enhancing transparency, accountability and incorporating public feedback gathered through the budget survey and other municipal outreach initiatives
- Managing the competing priorities of providing new services with public desire for low tax increases
- Ramifications of the continued delayed in the Property Tax Reassessment
- Residential building activity and growth pressures, and the effects of the economic downturn on building activities
- Aging infrastructure and closing the infrastructure gap
- Community-wide effects of the economic downturn
- Unpredictability of provincial and federal funding
- Inflationary pressures
- Service level enhancements
- Procurement supply challenges
- External legislative requirements, most notably the potential implications of the Province's More Home Built Faster Act (currently Bill 23)
- Capital projects carry forward costs
- A further consideration was that under Provincial legislation, municipal budgets must balance – municipalities are not permitted to be in a deficit situation.



Considerations in Developing the Budget

Alignment with Strategic Plan

Examples of how the **operating budget** directly responds to Strategic Plan Objectives:

- Sustainable Infrastructure and Services - **Objective 4.1 – Improve safety for road users**
 - By addressing road safety challenges and implementing existing traffic calming policies on Middlesex Centre roads.
- Sustainable Infrastructure and Services - **Objective 4.2 – Expand existing services in accordance with the pace of new development, and apply a financial sustainability lens to all municipal services and programs**
 - By analyzing and projecting the operating cost impacts of new residential development.
- Responsive Government - **Objective 5.2 – Foster a culture of mutual trust and respect within Council and between Council and staff**
 - By reinforcing a common purpose among Council members and promoting teamwork between Council and staff.
- Responsive Government - **Objective 5.3 – Foster a culture of innovation, continuous improvement, and cost-effective service delivery**
 - By sharing information and gathering input, continuing our timely and effective communication to the public.
 - By reviewing and enhancing our processes



Budget Summary

BUDGET SUMMARY

The Big Picture

- **6.34% Tax Levy Increase** (2023: 6.16%)
- **3.22% Tax Rate Increase** (2023: 2.50%)
- **\$49,300,886 in Operating Costs** (2023: \$43,871,181)
- **\$30,626,375 in Capital Projects** (2023: \$26,739,581)
- **\$79,927,261 Total Municipal Budget** (2023: \$70,610,762)
- **\$17,199,410 Transfers to Reserve Funds** (2023: \$15,276,126) *
- **\$31,662,955 Transfers from Reserve Funds** (2023: \$22,816,167) *

**Includes all reserve funds, including Water, Wastewater, Stormwater, Building*

Budget Summary

BUDGET SUMMARY

Tax Rate

- **2024 Tax Rate Increase = 3.22%**
(2023: 2.50%)

Within the recommended 3.22% tax rate increase, we have the fundamental building blocks of a well-considered municipal budget.

There are no service level cuts, and we are prioritizing good asset and reserve fund management.

The 2024 budget addresses increasing costs due to inflation, maintains the current level of services and allows for much needed infrastructure construction and repair.

A Note on the Tax Rate Stabilization Reserve Fund

The 2024 budget is balanced, however, to accomplish this staff are recommending using \$405,000 from the Tax Rate Stabilization Reserve Fund.

Using reserve funds to balance the operating budget is not recommended nor a continuous solution to balance the budget. However, in 2023, staff are expecting a surplus in property tax revenue related to an increase in supplemental and omitted assessment billings resulting from increased growth over what was anticipated.

Staff will be recommending transferring this surplus into the Tax Rate Stabilization at the end 2023, to be used to balance the 2024 budget.



Budget Summary

Operating Budget Revenue

Middlesex Centre, like most Ontario municipalities, uses a variety of revenue and funding sources to pay for a wide range of services. Revenue sources include:

- **Property Taxes** – Largest source of municipal revenue, this is calculated by applying the municipal tax rate by the property assessment as determined by MPAC.
- **Grants from Federal and Provincial Governments (transfers)** – The municipality receives grants from the provincial and federal governments on an annual basis. These grants are budgeted based on information received from the governments. If the information is not received prior to the budget being passed, staff plan based on a five-year historical trend. The 2024 budget includes the following grants:
 - Ontario Municipal Partnership Fund (OMPF)
 - Ontario Community Infrastructure Fund (OCIF)
 - Canada Community-Building Fund

More information on these grants is provided below.

- **User Fees – General** (revenue from services such as recreation, planning applications, building permits, etc.).

These fees are paid for by the specific user or group of users, including visitors and non-residents, rather than property owners through the municipal tax base.

- **User Fees – Water, Wastewater and Stormwater Rates** (funded directly by users) – Water consumption and wastewater usage charges are based on how much water property uses. Consumption is measured by the water meter. The stormwater user fee is a flat fee set by council each year.
- **Other** miscellaneous revenues such as permits and licenses

Using a variety of revenue sources ensures tax fairness based on an understanding of who benefits from the services being delivered: an individual user (a public skating enthusiast) or a group (motorists who park in downtown areas) versus a large portion of the population (residents that rely on emergency services). Fully funding all of these services through the tax levy would significantly increase property taxes for individuals who may never enjoy these specific services.

Additionally, the funding received by government grants and transfers makes up only a small part of the municipal budget, which is important to ensure the municipality can operate on its own without reliance on other levels of government.

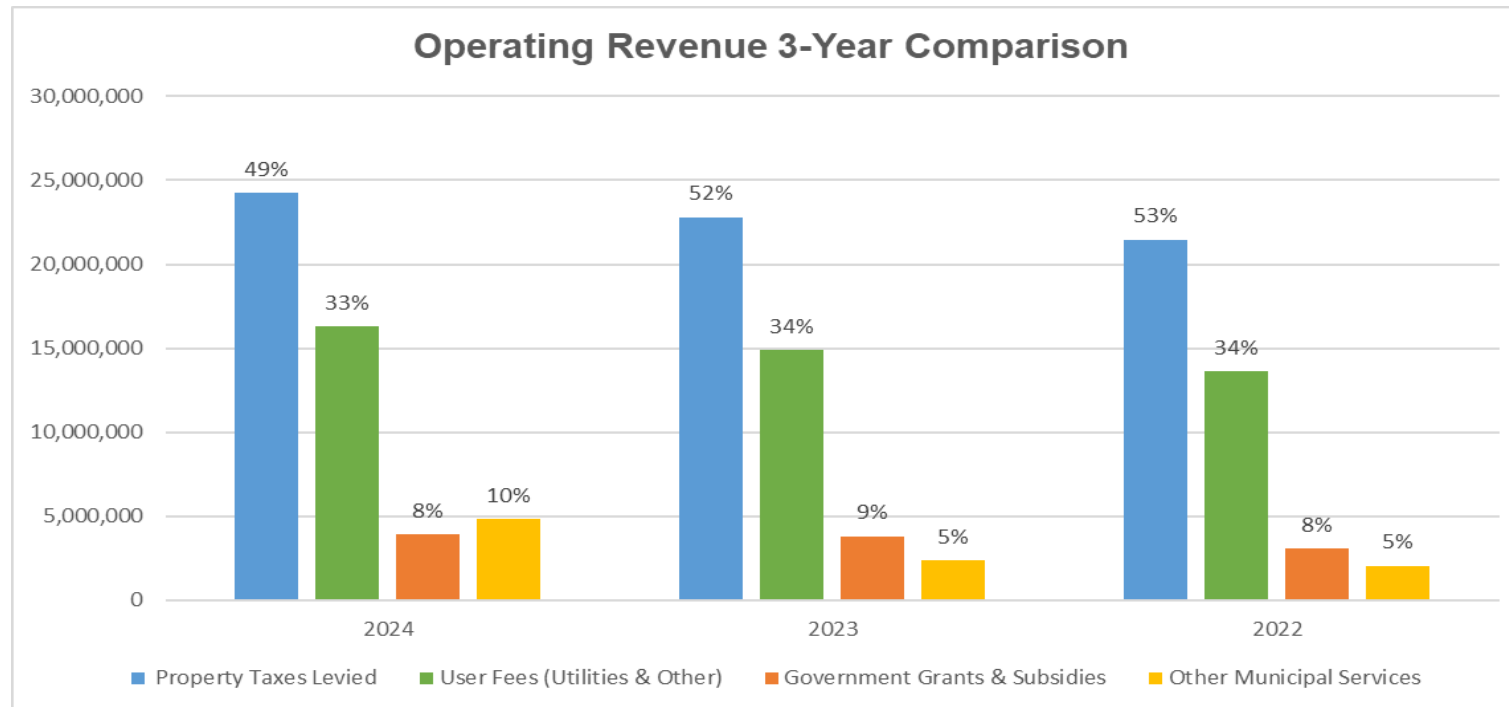


Budget Summary

Table: Operating Budget Revenue by Type with 3-year Comparison

Revenue Type	2024 Dollar (\$)	2024 Percentage	2023 Dollar (\$)	2023 Percentage	2022 Dollar (\$)	2022 Percentage
Property Taxes Levied	24,244,779	49%	22,799,129	52%	21,476,811	53%
User Fees (Utilities & Other)	16,297,118	33%	14,896,784	34%	13,634,042	34%
Government Grants & Subsidies	3,944,641	8%	3,806,941	9%	3,079,666	8%
Other Municipal Services	4,814,348	10%	2,368,327	5%	2,057,001	5%
TOTAL	49,300,886	100%	43,871,181	100%	\$40,247,520	100%

Figure: Operating Budget Revenue 3-Year Comparison



Budget Summary

Budget Implications for Rate Payers

Property Assessment

Property assessment is the basis upon which municipalities raise taxes. A strong assessment base is critical to a municipality's ability to generate revenues.

Municipal Property Assessment Corporation (MPAC) will deliver the 2024 final assessment to Middlesex Centre by mid- December 2023.

2020 Assessment Updated Postponed for Fourth Year

As part of the Ontario Government's Fall Economic and Fiscal Update, the Province announced their decision to postpone the 2020 Assessment Update. Property taxes for 2024 will continue to be based on the fully phased-in January 1, 2016, current value assessments.

This means property assessment for the 2024 property tax year will be the same as the 2020 tax year, unless there have been changes to the property, for example:

- Change to the property such as an addition, new construction, or renovation.
- MPAC assessed a structure on the property for the first time.
- There was a change to the property's classification.

- All or part of the property no longer qualifies as farmland, conservation land or managed forests.
- All or part of the property no longer qualifies to be tax exempt.

The budget mentioned the Government's decision to postpone the Assessment Update but did not provide a future date for the next reassessment.

In response to concerns about the property tax burden on small businesses, the Province provided municipalities with the flexibility to target property tax relief to small businesses. The decision to implement this program lies with the County of Middlesex as the upper tier municipality.

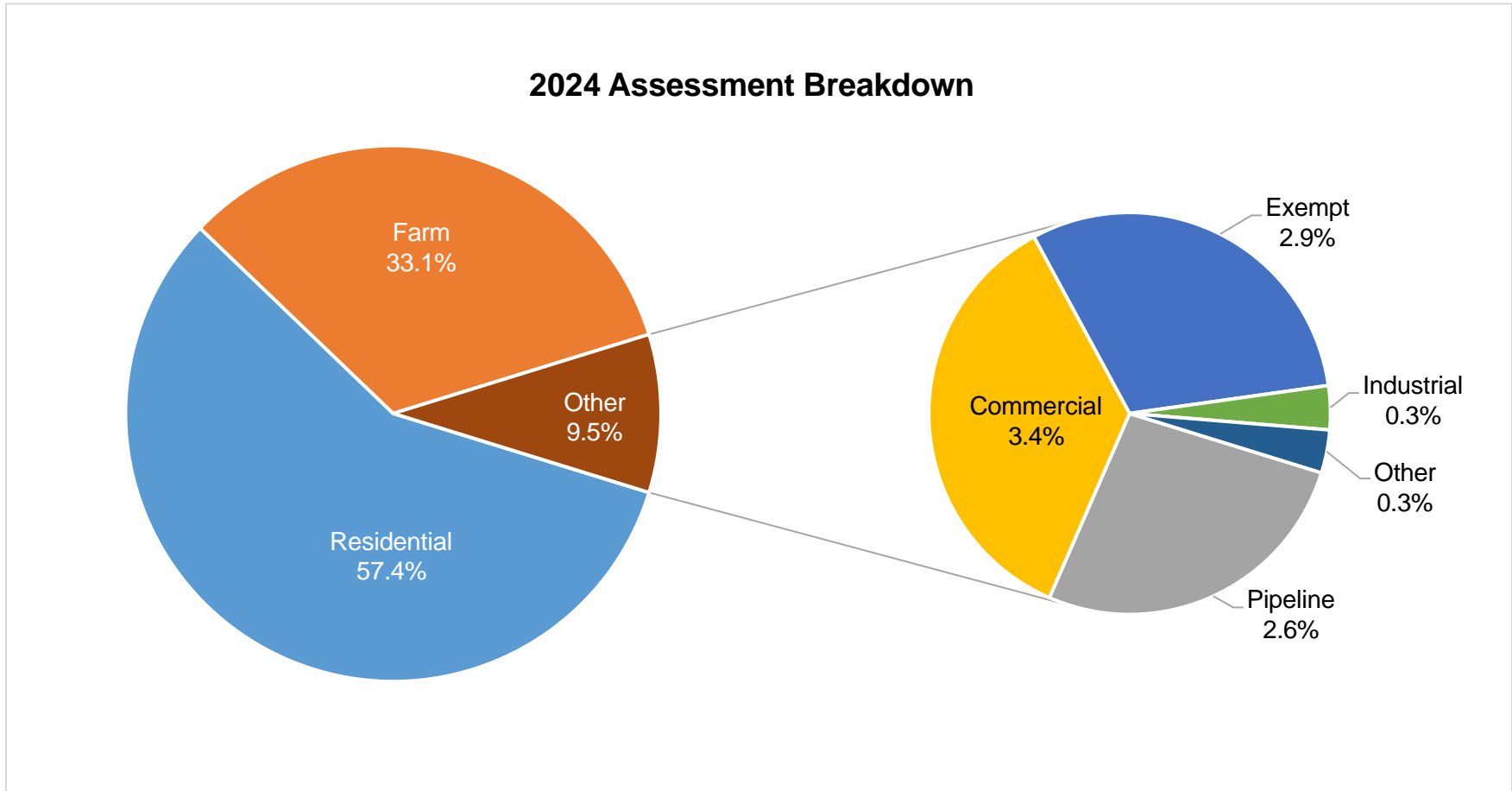
Table: Total Tax Assessment Value by Property Class, 2024

Property Class	Assessment (\$)
Residential	2,851,037,552
Farm	1,642,432,581
Pipeline	126,870,000
Commercial	168,486,367
Exempt	145,372,700
Industrial	16,745,100
Other	16,397,800
Total Assessment	\$4,967,342,100



Budget Summary

Figure: Assessment Breakdown



Budget Summary

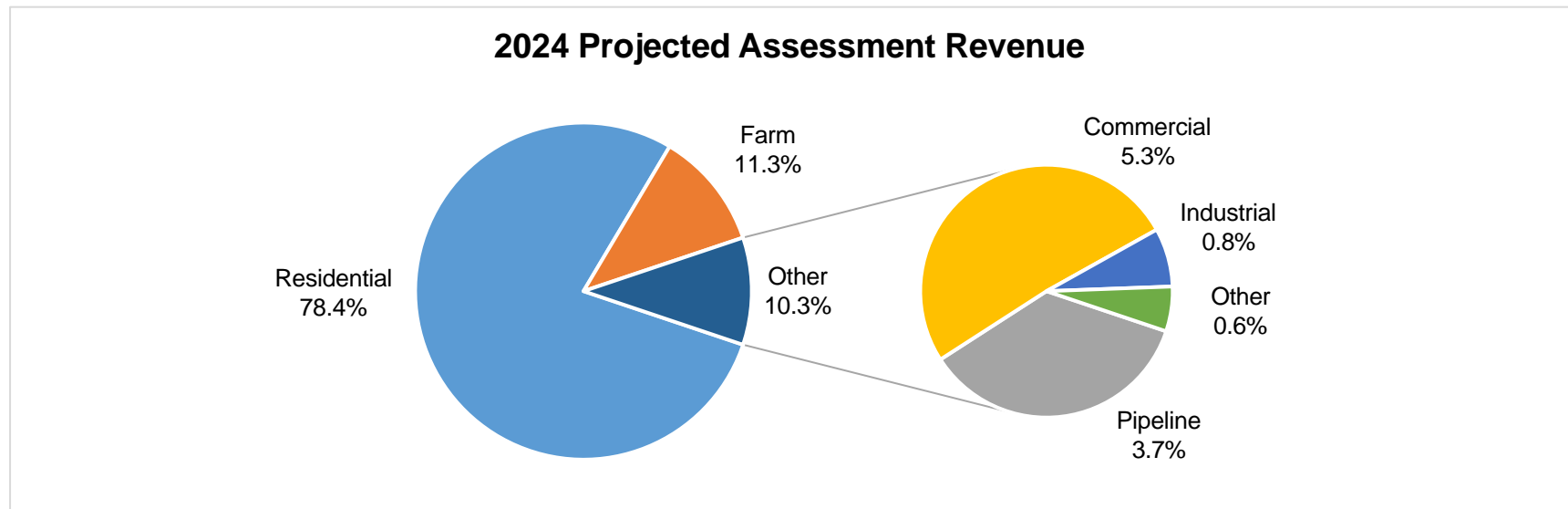
Tax Revenue from All Property Types

Table: Total Municipal Tax Revenue with 3-year Comparison

Property Type	2024 (\$)	2023 (\$)	2022 (\$)
Residential	19,009,020	17,800,759	16,618,947
Farm	2,737,811	2,615,377	2,557,074
Pipeline	892,880	860,229	837,744
Commercial	1,274,240	1,214,883	939,352
Industrial	187,320	169,174	157,878
Other	143,508	138,707	365,816
Total Assessment Revenue	24,244,779	22,799,129	21,476,811

The total municipal tax revenue is calculated using actual assessment provided by MPAC and the calculated residential rate.

Figure: Sources of Projected Assessment Revenue



Supplementary Information

Table: Middlesex Centre's Overall Assessment, by property class, 2018 to 2023

Property Class	2018	2019	2020	2021	2022	2023
Residential	2,234,335,859	2,354,958,419	2,497,593,149	2,530,480,756	2,637,207,977	2,755,768,993
Farm	1,275,705,772	1,450,932,327	1,605,897,354	1,626,287,454	1,622,982,754	1,619,447,340
Pipeline	117,021,296	120,871,369	124,680,000	125,691,000	125,940,000	126,162,000
Commercial	86,872,067	119,444,601	134,691,897	134,759,590	131,736,669	166,116,367
Exempt	82,332,404	106,156,386	111,025,600	111,565,100	113,805,600	111,071,800
Industrial	11,866,966	11,669,837	12,449,900	12,500,900	14,968,500	15,606,000
Other	33,772,040	37,607,305	35,534,500	40,232,900	47,355,200	16,194,200
Total	\$3,841,906,404	\$4,201,640,244	\$4,521,872,400	\$4,581,517,700	\$4,693,996,700	\$4,810,366,700

Assessment Growth – Non-residential portion of the tax base

The non-residential portion of the tax base (assessment) shows the composition of unweighted assessment over time. It indicates what percentage of assessment comes from the commercial and industrial component, which should grow proportionately over time. Ideally, the commercial and industrial components should grow proportionately over time. However, this is where Middlesex Centre struggles as these ratios are not growing proportionately over time. In 2023, there is a larger increase in commercial assessment and the industrial growth is in line with the residential growth.

Table: Middlesex Centre's Overall Assessment increase for commercial, industrial and residential properties, 2019 to 2023

Year	Commercial Growth (year over year)	Industrial Growth (year over year)	Residential Growth (year over year)
2019	37.49%	-1.66%	5.40%
2020	12.77%	6.68%	6.06%
2021	0.05%	0.41%	1.32%
2022	-2.24%	19.74%	4.22%
2023	26.10%	4.30%	4.50%



Supplementary Information

Municipal Tax Rates over Time

Table: Municipal Tax Rate Increases over Time

Year	Residential Tax Rate Increase
2024	3.22%
2023	2.50%
2022	2.76%
2021	1.47%
2020	2.23%
2019	1.77%
2018	1.99%
2017	2.38%
2016	3.0%
2015	1.7%
2014	1.57%

Table: Residential Property Tax Rates over Time

Residential Property Tax Rates 2006-2023

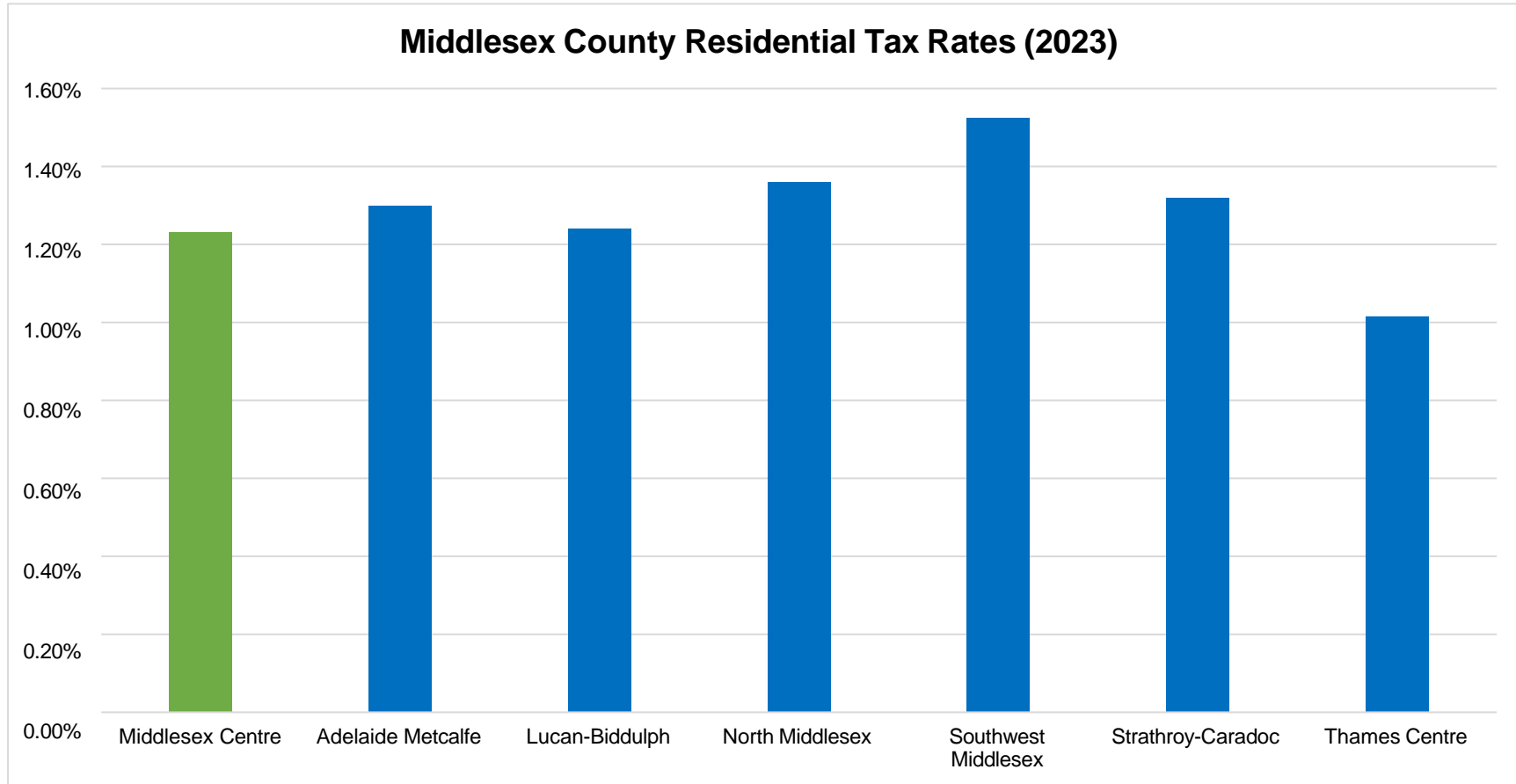
Year	Municipal	County	School	Total	% Change
2006	0.00414647	0.00414074	0.00264000	0.01092721	-
2007	0.00465505	0.00407087	0.00264000	0.01136592	4.01%
2008	0.00511823	0.00400554	0.00264000	0.01176377	3.50%
2009	0.00487454	0.00391717	0.00252000	0.01131171	-3.84%
2010	0.00497203	0.00386042	0.00241000	0.01124245	-0.61%
2011	0.00509633	0.00386042	0.00231000	0.01126675	0.22%
2012	0.00509633	0.00386042	0.00221000	0.01116675	-0.89%
2013	0.00522886	0.00386042	0.00212000	0.01120928	0.38%
2014	0.00531112	0.00386042	0.00203000	0.01120154	-0.07%
2015	0.00540142	0.00387250	0.00195000	0.01122392	0.20%
2016	0.00556346	0.00387250	0.00188000	0.01131596	0.82%
2017	0.00569587	0.00387250	0.00179000	0.01135837	0.37%
2018	0.00580901	0.00387250	0.00170000	0.01138151	0.20%
2019	0.00591210	0.00387250	0.00161000	0.01139460	0.12%
2020	0.00604397	0.00391142	0.00153000	0.01148539	0.80%
2021	0.00613307	0.00397792	0.00153000	0.01164099	1.35%
2022	0.00630216	0.00397792	0.00153000	0.01181008	1.45%
2023	0.00645992	0.00431244	0.00153000	0.01230236	4.17%



Supplementary Information

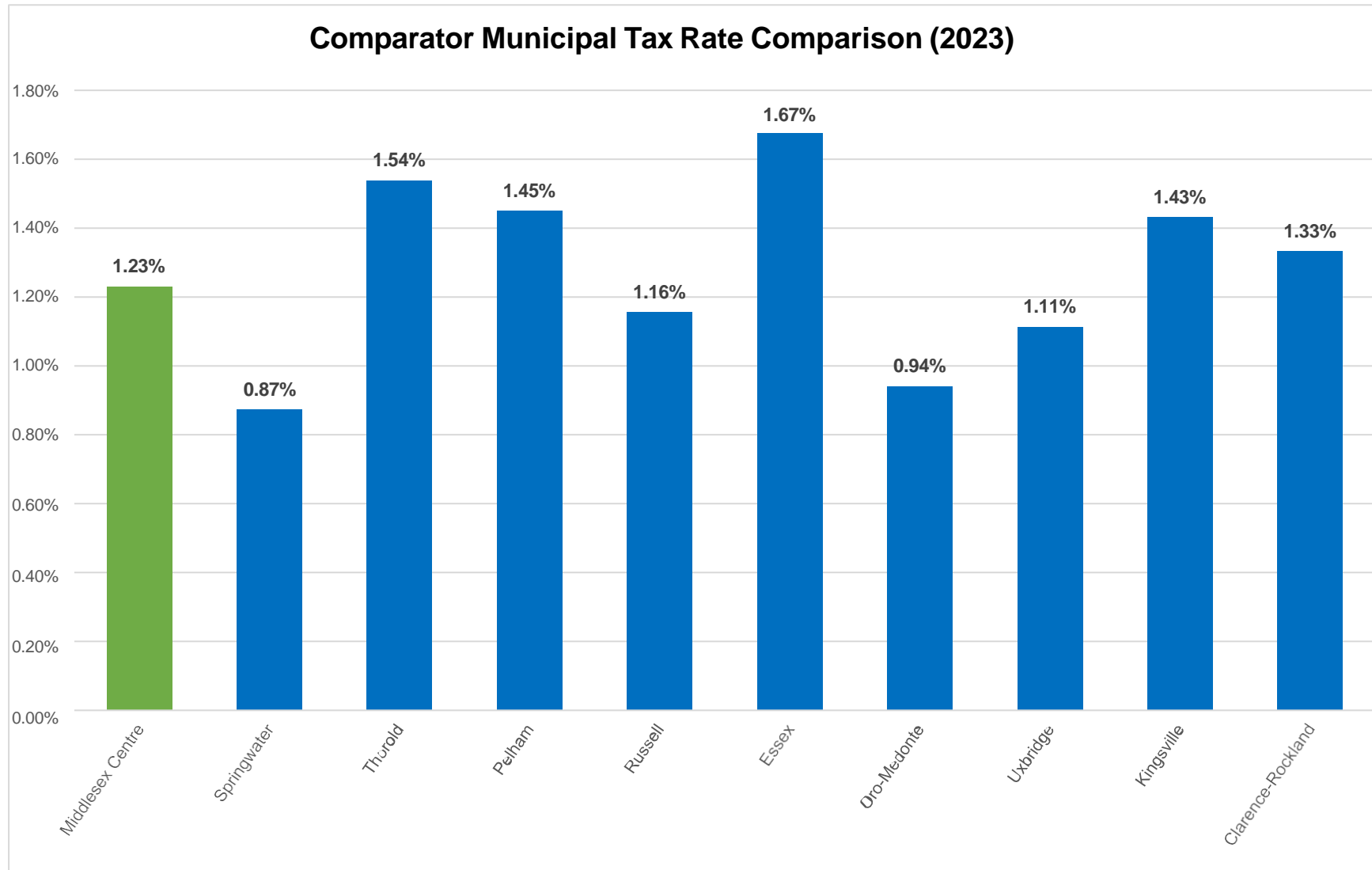
Middlesex County Residential Tax Rate Comparison

Figure: Residential Tax Rate Comparison, Middlesex County



Supplementary Information

Figure: Residential Tax Rate Comparison, Comparator Municipalities



Budget Summary

Government Grants

There are three grants that the municipality has continuously received from the provincial and federal governments over the past few years. The municipality relies on these grants to balance our budget:

- Canada Community-Building Fund – Formerly the Gas Tax. Funding provided by the Government of Canada as part of the New Deal for Cities and Communities. This Federal initiative is based on a long-term vision of sustainability for Canadian cities and communities, including four interdependent dimensions, economic, environmental, social and cultural. The program is intended to achieve results leading to cleaner air, cleaner water, and reduced greenhouse gas emissions.
 - Money provided by this fund is primarily used to fund capital projects in Public Works & Engineering, specifically bridges and culverts.
- Ontario Community Infrastructure Fund (OCIF) – This grant is a formula-based grant based on a municipality’s asset management plan. It was launched in 2014 and provides funding to help small, rural and northern communities renew and rehabilitate critical infrastructure.
 - Money provided by this fund is primarily used to fund capital projects in Public Works & Engineering, specifically bridges and culverts.
- Ontario Municipal Partnership Fund (OMPF) – This is the Province's main general assistance grant to municipalities. The program primarily supports northern and rural municipalities across the province. Its objectives are to recognize the challenges of northern and rural municipalities, while targeting funding to those with more challenging fiscal circumstances; support areas with limited property assessment; and assist municipalities that are adjusting to year-over-year funding changes.
 - This fund is used in the operating budget to support all departments that are not self-funded.

Table: Government Grant Funding Summary

Grant	2020	2021	2022	2023
CCBF	523,664	1,073,763	547,467	571,270
OCIF	992,950	992,950	2,064,113	1,962,071
OMPF	1,180,800	1,203,800	1,291,800	1,170,600
Total	\$2,697,414	\$3,270,513	\$3,903,380	\$3,376,929

Budget Summary

Water, Wastewater and Stormwater Fees

Water, wastewater and stormwater functions are self-funded. Drinking water systems must financially support themselves; this is a requirement of O. Reg, 453/07. The self-funding of the wastewater and stormwater systems is a municipal decision but not currently required by regulation.

The municipality's utility rates are based on the amount of funding needed to operate Middlesex Centre's water, wastewater, and stormwater systems. All costs associated with operating water and wastewater systems are entirely funded by the users and therefore are not supported by property taxes as noted above.

- The municipality funds water and wastewater through a user-fee program. Water consumption and wastewater charges are based on how much water is used. Consumption is measured by the water meter measuring flow entering the building plumbing system.
- The municipality also funds stormwater management through a user-fee program. The stormwater user fee appears on monthly utility bills.

The municipality calculates the budgeted revenue for water, wastewater and stormwater by multiplying the rate as determined in the annual Water, Wastewater and Stormwater Rates By-law by the current consumption, adding in additional revenue for the projected future properties due to growth.

In 2024, water rates will increase by 1%, wastewater 4%, and stormwater by 2.5% (assuming approved by Council

on November 15, 2023). As a result, average users will see an annual increase of \$49.44 on their water bill.

Table: Annual Combined Fees for Water, Wastewater and Stormwater, 2024

Annual Water Usage (m ³)	2024*	2023	\$ Increase	% Increase
96	\$1,324.92	\$1,291.44	\$33.48	2.59%
180	\$1,918.80	\$1,869.36	\$49.44	2.64%
360	\$3,191.40	\$3,107.76	\$83.64	2.69%
Stormwater Only	\$198.60	\$193.80	\$4.80	2.48%

**To be updated in final version of the budget.*

Middlesex Centre continues to be challenged with funding the water and wastewater systems with relatively fewer customers to share these costs. Middlesex Centre is committed to keeping costs as low as possible, with only minor increases since 2016. However, a recent study has determined that Middlesex Centre is underfunded for future lifecycle replacements (primarily for wastewater and stormwater). Future increases may be established after the more in-depth long-range financial plan for wastewater and stormwater described above is completed.

➔ **More information on water, wastewater and stormwater rates is available at middlesexcentre.ca/water**



Budget Summary

Waste Management Fees

Waste and recycling services are provided for the municipality by Bluewater Recycling Association.

Middlesex Centre has a user pay program for waste and recycling. Those who produce the least waste pay the least. This is an excellent opportunity for residents to reduce, reuse and recycle as much as they can. Residents pay for the size of waste bin their household requires.

Waste bins come in three sizes. The annual cost is associated with the size of bin selected.

Waste Bin Charges, 2024:

- Small Bin: \$126
- Medium Bin: \$234
- Large Bin: \$341

Recycling bins come in two sizes, medium and large. There is no charge for these bins.

The municipality calculates the budgeted revenue for waste management by multiplying the rate as determined in the contract with the third-party provider by the current waste bin amounts, adding in additional revenue for the projected future properties to growth.

→ **More information on waste management fees is available at middlesexcentre.ca/waste**

Municipal Fees Charges (User Fees)

User fees are charged by municipalities to recover a portion of the costs for services, including recreation program fees, facility rental fees, building permits and more.

These fees are paid for by the specific user or group of users, including visitors and non-residents, rather than property owners through the municipal tax base.

User fees ensure tax fairness based on an understanding of who benefits from the services being delivered: an individual user (a public skating enthusiast) or a group (motorists who park in downtown areas) versus a large portion (or all) of the population (residents that rely on emergency services).

Fully funding these services through the tax levy would significantly increase property taxes for individuals who may never enjoy these specific services.

User fees ensure we maintain adequate service levels comparable to other municipalities and meet user expectations by balancing affordability with demand for services.

Council approves a list of user fees each year through the fees and charges by-law. Fees are reviewed to ensure they are offsetting the cost of providing the service as well as aligning to the fees of neighbouring communities.

→ **Fees are updated at the end of each year for the following year at middlesexcentre.ca/rates-and-fees**



Budget Summary

The Bottom Line – Impact on Rate Payers

Table: Implications for Average Residential Property Owner assessed at \$400,000

Municipal Fees	Annual Change (\$)
Change in Municipal Property Tax	83.00
Change in Water, Wastewater and Stormwater Fees*	49.44
Change in Waste Management Fees	0.00
Change in User Fees	will vary by resident
Total Change – Middlesex Centre	132.44

**Based on usage of 180 m³ of water per year (if approved)*

Table: Implications for Average Farm Property Owner assessed at \$1 million

Municipal Fees	Annual Change (\$)
Change in Farm Property Tax	52.00
Change in Waste Management Fees	0.00
Change in User Fees	will vary by resident
Total Change – Middlesex Centre	52.00

It is important to note that these changes are associated with Middlesex Centre only – they do not include rate increases that may come from the County of Middlesex or the local school boards.

Budget Summary

Operating Budget Expenses

The total annual operating expense budget is \$49,300,866.

Ten expenditure categories account for 93% of the operating budget. These costs are presented in the table below. Note that the majority of the transfer to reserve funds are for capital projects.

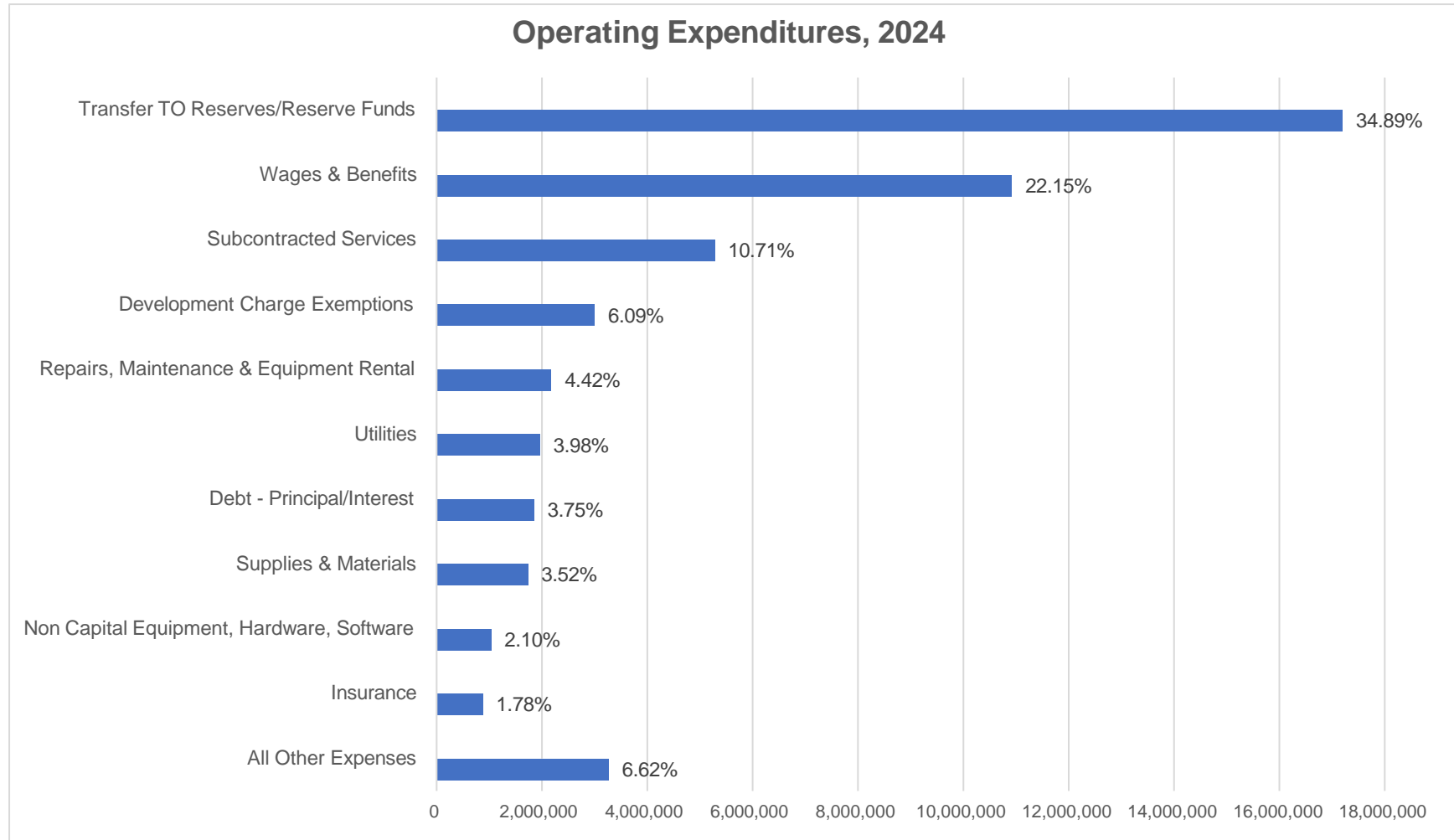
Table: Top 10 Operating Expenses with 3-year Comparison

Operating Expenditures	2024 Dollar (\$)	2024 Percentage	2023 Dollar (\$)	2023 Percentage	2022 Dollar (\$)	2022 Percentage
Transfer TO Reserves/Reserve Funds	17,199,410	34.89%	15,276,126	34.82%	12,666,546	31.47%
Wages & Benefits	10,921,252	22.15%	10,033,323	22.87%	9,356,289	23.25%
Subcontracted Services	5,278,993	10.71%	5,170,957	11.79%	4,995,448	12.41%
Development Charge Exemptions	3,000,000	6.09%	-	-	-	-
Repairs, Maintenance & Equipment Rental	2,177,230	4.42%	1,975,895	4.5%	1,878,724	4.67%
Utilities	1,960,699	3.98%	1,745,782	3.98%	1,750,947	4.35%
Debt - Principal/Interest	1,849,195	3.75%	1,911,196	4.36%	1,952,570	4.85%
Supplies & Materials	1,735,140	3.52%	1,652,053	3.77%	1,653,326	4.11%
Non-Capital Equipment, Hardware, Software	1,035,523	2.1%	669,799	1.53%	614,327	1.53%
Insurance	878,305	1.78%	1,220,070	2.78%	1,120,238	2.78%
TOTAL	46,035,747	93%	39,655,201	90%	35,988,415	93.38%



Budget Summary

Figure: Operating Budget by Expenditure



Budget Summary

Table: Total Operating Expense Budget by Department with 3-year Comparison

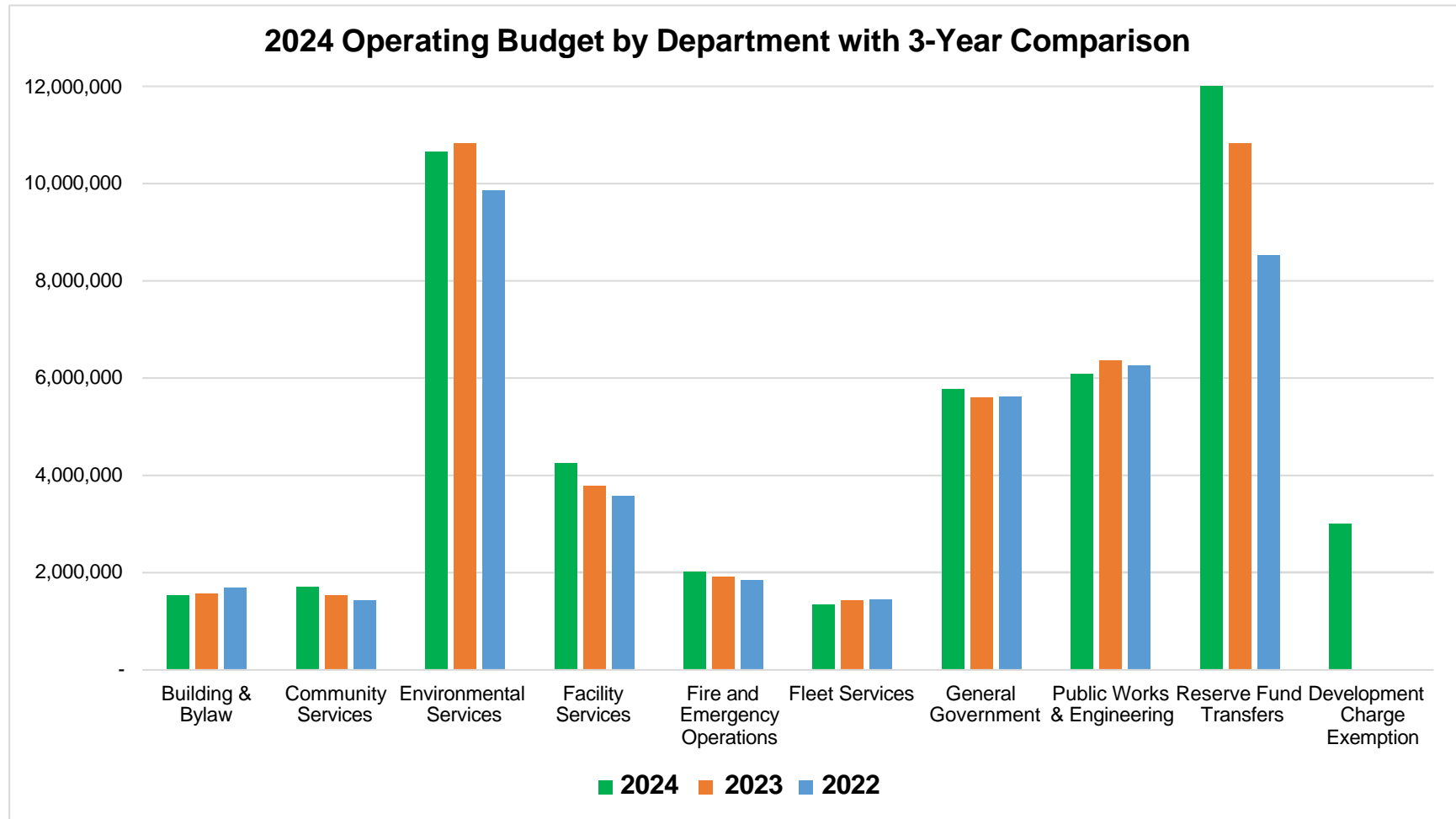
Department	2024 Total Operating Budget (\$)	2023 Total Operating Budget (\$)	2022 Total Operating Budget (\$)
Building & Bylaw	1,528,934	1,567,279	1,680,262
Community Services	1,712,304	1,539,619	1,425,595
Environmental Services	10,648,208	10,831,052	9,864,234
Facility Services	4,246,890	3,791,766	3,576,746
Fire and Emergency Operations	2,010,987	1,918,800	1,843,272
Fleet Services	1,348,303	1,434,968	1,447,273
General Government	5,764,736	5,602,433	5,625,593
Reserve Fund Transfers	12,948,341	10,828,598	8,530,416
Public Works & Engineering	6,092,182	6,356,668	6,254,129
Development Charge Exemption	3,000,000	-	-
Grand Total	49,300,886	43,871,181	40,247,520

Note that the Reserve Fund Transfers percentage does not include user fee generated reserve funds such as water, wastewater, stormwater and building.



Budget Summary

Figure: 2024 Operating Budget by Department with 3-year comparison



Refer to the Development Charges section for more information on the DC exemptions

Budget Summary

Items of Note

Reserve Funds

These funds act as a savings account, to set funds aside for cyclic costs like elections and for planned capital costs.

Notable Reserve Funds changes for 2024 include:

- Additional \$1,000,000 transferred to reserve funds in 2024 to build these balances to cover capital asset requirements as outlined in the municipality's Asset Management Plan

Commitment to Asset Management

As you will note through the budget, managing municipal assets is a key priority across all departments. To track and plan the thousands of assets owned by Middlesex Centre, this year we will be purchasing and implementing a new asset management software at a cost of \$75,000.

Development Charges (DC) Study

In 2024, we will be working with a consultant to complete a new 10-year DC Study, at a cost of \$100,000. This will be presented to Council for approval, along with the accompanying by-laws.

Capital Asset Threshold

A capital asset threshold is the financial limit that determines whether an asset will be considered a capital asset for budgeting and accounting. To focus on critical municipal

assets that have a substantial impact on municipal services, Middlesex Centre has increased this threshold from \$10,000 to \$35,000 for the 2024 budget year for all non-fleet assets. Fleet assets remain at a \$5,000 threshold.

As a result of this change, non-capital asset expenditures under the operating budget will see an increase from activities that no longer qualify to be included in the capital budget.

Salaries & Benefits

These funds cover the costs of having municipal staff deliver services. We use a zero-based budgeting model, meaning that each year we build the budget starting at zero, and look at the costs associated with each staff position. The 2024 budget includes an allowance for an overall increase of approximately 1.0 full time equivalent (FTE) employee over 2023. Additional staff resources are recommended to facilitate desired service level enhancements and/or increased workloads.

Notable salary and benefits changes for 2024 include:

- a salary cost of living increase of 2.5%
- pay-grid step increases of 4%, with 58 full-time employees eligible for increases
- new or modified staff positions:
 - Community Services – additional part time hours added to the budget to support current levels of service that equates to approximately 1 (FTE).
- Increase in overall benefits over prior year of 10%:
 - Estimated health benefits cost increases of 10%



General Government

GENERAL GOVERNMENT



About General Government

General Government includes the Office of the CAO, the Office of the Clerk, and Corporate Services.

General Government's role is one of service to council, residents, and municipal departments and staff.

- The Office of the CAO provides leadership to the entire municipal organization and directs strategic initiatives and economic development.
- The Office of the Clerk coordinates meetings of Council, manages public notices for planning and other matters, oversees records management for the organization and oversees the legislative services offered by the municipality, including marriage licences and civil wedding ceremonies, commissioner of oaths, and lottery licences.

- Corporate Services manages, coordinates and delivers core customer service, communications, information technology (in partnership with Middlesex County), human resources, and financial services for the municipality. Notably financial management covers a wide range of functions from day-to-day invoicing to asset management planning.

Corporate Services support and assist other departments to deliver high quality programs and services.

General Government

2023 Accomplishments

Major Accomplishments:

- ✓ **Donation to Archives**
- ✓ **Organizational Review**
- ✓ **Customer Service Modernization Service Delivery and Policy**
- ✓ **Reserve Contributions for Asset Management**
- ✓ **Website Enhancements**
- ✓ **Middlesex Centre Day – 25th Anniversary**
- ✓ **Zoning By-law**
- ✓ **Mayor’s Breakfast**
- ✓ **Community Improvement Plan Update**
- ✓ **Strategic Plan Refresh**
- ✓ **Cloudpermit Launch for development and planning review**

In addition:

Office of the Clerk

- Held 25 council meetings in 2023
- Revised the records inventory project, with progress made on the physical records located at the Municipal Office.
- Completed 116 by-laws to November 1, 2023

- Issued 42 marriage licenses, conducted 6 marriage ceremonies and issued 23 lottery licenses (to end of October).
- Commissioned 102 documents, including planning applications (to end of October)

Human Resources

- Reviewed all municipal human resources (HR) policies, with 44 revised or new HR policies added to be in compliance with changing legislation
- Completed a full compensation review and updated all job descriptions for all departments (excluding firefighters, who will be reviewed in 2024).
- Hired 39 team members (January 1 to October 30, 2023), via 22 job postings and several promotions in Fire Services and Transportation
- Coordinated staff training, with 1,282 HR Downloads courses completed
- Completed Physical Demand Analysis for Mechanics
- Created Job Hazard Assessments for all positions in each department, re-submitted Terms of Reference to WSIB, and began updating all health and safety policies, including updating standard operating procedures.

General Government

2023 Accomplishments

Communications

- Kept residents informed through the municipal website and social media (website: 125,333 users and 797,611 page views in 189,678 sessions in 2022)
- Published monthly (12) full-page “Municipal Minute” Middlesex Centre updates in the Middlesex Banner newspaper and monthly page in local “Villager” publications
- Published monthly (12) Middlesex Centre e-newsletters to residents that have signed up for that service (1,987 as of November 2023)

Finance and Customer Service

- Updated or implemented numerous corporate policies, including customer service, development charge interest policy, and asset retirement obligation policy
- Responded to 21,096 customer calls, 10,071 emails and 2,280 walk-ins at the front counter
- Issued 65,328 water bills, 16,367 property tax bills, 964 supplemental and omitted property tax bills

- Processed 91 new water meter installs and 183 final water meter reads
- Processed over 104,200 customer bill payments and 4,100 vendor payments
- Administered 24 severances which resulted in 148 new lots
- Earned \$983,951 in supplemental residential tax revenue in 2023, compared to \$753,763 earned in 2022
- Completed 276 tax adjustments, compared to 63 in 2022
- Continued increase in liquidity as evident by the increase in the cash ratio, which indicates how much cash and liquid investments could be available to cover current obligations.



General Government

Departmental Budget Highlights

Trends/Issues

- Impact of the lack of commercial and industrial assessments in the assessment mix
- Increase in Freedom of Interest Requests (11 in 2023 versus 2 in 2022). This increase is anticipated to continue in future years
- Continued decrease in the revenue collected through the Provincial Offences Act (POA)
- Rising interest rates which have a positive impact on our investments in high interest savings accounts, however negative impact on borrowing rates for capital projects that are debt funded
- Requirement of more detailed governmental reporting for grants and annual reports
- Legislative changes as referenced above under key factors – priorities and issues
- Development and administration of risk management for new and expanded services
- Balancing the need for efficient technology solutions in a cost-effective manner
- Managing cybersecurity corporate-wide and new requirements annually

- Expanding on various software packages and programs that will create efficient throughout various departments
- Managing the internal costs of a growing municipality with the pressures of additional customer service and services while maintaining costs low

Service Level Changes

- \$1,000,000 increase in the contribution to Reserve Funds to align with the municipality's Asset Management Plan for tax levy supported capital projects. This is needed for the continued improvement and rehabilitation of our capital assets. This initiative cannot be completed without increasing the annual contribution to capital.
- Implementing the recommendations from the 2023 Organizational Review
- Implementing the recommendations from the 2023 Customer Service Review
- Continued improvement to the municipality's Human Resource Information System with the planned implementation of the performance management module in 2023/2024.
- Continued improvement of our Health and Safety Manual corporate wide.



General Government

Operating Budget Details

General Government has 38% of total operating costs. However, of the 38%, transfers to reserve funds account for 26.3% and general government accounts for only 11.7% of operating costs.

Table: Operating Expense Budget for General Government by Cost Centre

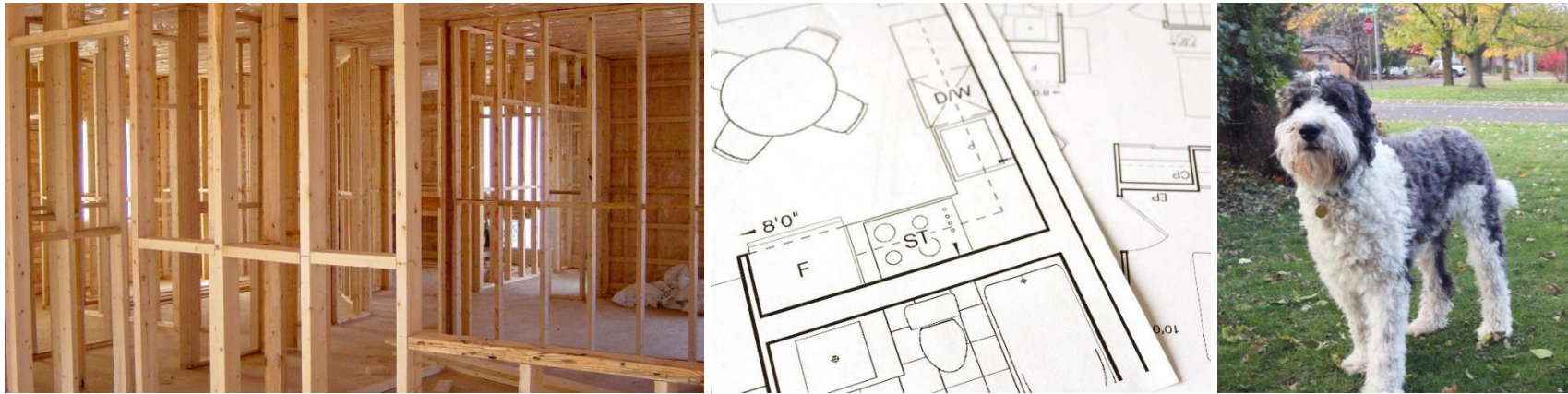
General Government		
Division:	Cost Center	2024 Total (\$)
General Administration		2,728,933
Policing		2,310,674
Conservation Authorities:		
	Ausable Bayfield	122,903
	Kettle Creek	19,112
	Lower Thames	28,650
	St. Clair	64,290
	Upper Thames	139,748
	Conservation Authorities Total	374,703
Council		248,801
Economic Development		83,125
Cemeteries		18,500
Reserve Fund Transfers		12,948,341
General Government Total		18,713,077

Note: There are no capital expenditures associated with General Governance for 2024.



Building & By-law Services

BUILDING & BY-LAW SERVICES



About Building & By-law Services

Building & By-law Services ensures that new and renovated homes and businesses are built to current standards. They issue building permits for residential, institutional, commercial, agricultural and industrial buildings, septic systems, pools and signs. They also oversee municipal by-law enforcement and source water protection.

Since 2002, Building Division has been in a service agreement with the Township of Lucan Biddulph. In 2021, this agreement was expanded to include the municipalities of North Middlesex, Adelaide Metcalfe and Southwest Middlesex. In 2021, three additional building inspectors and an administrative assistant were added to building division due to the increase in building permit activity and the new service agreements.

Building Division is entirely self-funded by building permit fees.

Permits:

- At the end of the third quarter of 2023, Building Services had issued 354 building permits, with the total value of construction activity of \$83 million. These both fell short of 2022's pace primarily due to a significant reduction in new residential construction.

Enforcement:

- Investigated over 225 complaints pertaining to illegal dumping, illegal building, parking, zoning infractions, animal control, dogs at large and/or vicious, property/occupancy standards and fencing.



Building & By-law Services

2023 Accomplishments

Major Accomplishments:

- ✓ **Building Services - Municipal Partnerships**
- ✓ **Continued Implementation of Cloudpermit online building permit**

In addition:

- Received the Association of Municipalities of Ontario (AMO) Peter J. Marshall Award for building efficient shared services through technology (e-permitting)
- Undertook ongoing professional training / licensing renewal for team members. Training costs for all building services staff are approximately \$14,000
- Continued improvements to the Cloudpermit system including reporting of light wood construction to the Fire Chief

- Created department policies relating to; firestopping in large farm buildings, HVAC design requirements in renovations, plumbing 'smash plate' placement and foundation to foundation connections for additions.
- Initiated an agreement with Cloudpermit to use their By-law Enforcement Module
- Entered into a temporary agreement with the Municipality of Strathroy-Caradoc for Chief Building Official services in August
- Completed a temporary agreement with the Municipality of Thames Centre in May extending from 2022 for Chief Building Official services
- Responded 'on site' to over 200 by-law enforcement complaints in Middlesex Centre and over 50 complaints in Lucan Biddulph
- Fully recovered the costs of the Building Division budget through permit fees and service agreement payments

Table: 2023 Building Permit Activity to end of Third Quarter 2023 in Comparison to 2019-2022 Year Ends

Year	Number of Building Permits Issued	Number of New Dwellings	Estimated Cost of Construction (\$)
2023 (Third quarter complete)	354	92	83,370,480
2022 Year End	662	187	154,177,049
2021 Year End	836	349	257,387,115
2020 Year End	636	268	143,339,248
2019 Year End	545	159	101,000,000



Building & By-law Services

Departmental Budget Highlights

Trends

- Full cost recovery of Building Division budget to continue through building permit fees and service charges to municipal partners
- Anticipate residential slow down to level off and new construction to exceed 2023's numbers by year end of 2024 for residential development in Middlesex Centre and throughout Middlesex

Service Levels

- Tablets being used by staff in field for better access to permit and inspection information and efficiency in completing forms
- Continuing to find efficiencies in providing by-law enforcement services and building inspection services to our residents and our four partners in Middlesex County

Operating Budget Details

Building & By-law Services has 3.1% of total operating costs.

Table: Operating Budget for Building Services by Cost Centre

Building & Bylaw		
Division:	Cost Center	2024 Total (\$)
Building	Building Inspection - Adelaide Metcalfe	72,552
	Building Inspection - Lucan Biddulph	84,265
	Building Inspection - Middlesex Centre	952,705
	Building Inspection - North Middlesex	125,689
	Building Inspection - Southwest Middlesex	126,689
Building Total		1,361,900
By-Law		118,553
Animal Control		48,482
Building & Bylaw Total		1,528,934

Note: There are no capital expenditures associated with Building & By-law Services for 2024.



Community Services

COMMUNITY SERVICES



About Community Services

Community Services oversees the operation and management of parks and open space (trails, sport fields, playgrounds, and forestry), facility services and customer service/recreation. It also provides support to minor sports, special events and community engagement.

Community Services maintains and is responsible for:

- 3 ice surfaces between 2 arenas
- 5 indoor community centres
- 19 parks
- 20 soccer fields
- 15 ball diamonds
- 16 tennis/pickleball courts
- 4 basketball courts
- 12 playgrounds
- 3 splash pads
- 2 skate parks
- 6 outdoor park pavilions
- 2 off-leash dog areas
- 78 hectares of parkland
- 6.4 km of trails



Community Services

2023 Accomplishments

Major Accomplishments:

- ✓ **Implementation of the Univerus program registration and facility booking software modules**
- ✓ **Affordable Access to Recreation Policy**
- ✓ **Special Event Guide**

In addition:

- Accessible washroom upgrades at Poplar Hill Park for \$75,000 (grant funded)
- Installed new playground equipment at Westbrook Park for \$135,000
- New backstop and baseline fencing at Heritage Park for \$32,000
- Re-surfaced asphalt and installed fencing at Douglas B. Weldon Park Tennis Courts for \$65,000
- Installed a 9-hole disc golf course at Douglas B. Weldon Park for \$10,000



Community Services

Departmental Budget Highlights

Trends/Issues

Specific trends impacting Community Services include:

- Increased vandalism in municipal parks and facilities requiring additional security costs
- Increased material and construction costs
- Continued demand for passive recreation amenities (trails, walking, cycling, pickleball, off leash areas)
- Increased demand for youth programming and older adult programming
- Increased demand for ice at the youth level

Service Level Changes

- Addition of youth programming in the Komoka community in 2024
- Increase in the amount of recreation programming activities managed in-house by municipal staff
- Initiatives and recommendations coming out of the completion of the Community Service Master Plan Update and the Age Friendly Community Action Plan

Operating Budget Details

Community Services has 3.5% of total operating costs.

Table: Operating Budget for Community Services by Cost Centre

Community Services		
Division:	Cost Center	2024 Total (\$)
Parks & Open Space:	Komoka Youth Centre	58,535
	Park - Arva Weldon	139,968
	Park - Bryanston Park	37,915
	Park - Community Landscape Features	12,500
	Park - Delaware Lions	41,445



Community Services

Community Services		
Division:	Cost Center	2024 Total (\$)
	Park - Delaware Municipal	29,979
	Park - Delaware Pleasant	4,472
	Park - Delaware Tiffany	498
	Park - Denfield	35,588
	Park - Ilderton Heritage	78,413
	Park - Ilderton Junction	1,707
	Park - Ilderton Lions	12,000
	Park - Ilderton Meadowcreek	31,042
	Park - Ilderton Optimist	43,813
	Park - Kilworth Optimist	5,699
	Park - Kilworth River Flats	1,949
	Park - Kilworth Westbrook	63,170
	Park - Komoka	47,224
	Park - Komoka Caverhill	5,124
	Park - Poplar Hill	61,622
	Parks - Admin	40,187
	Recreation Programs	103,809
	Parks & Open Space Total	856,657
		855,647
Administration		
Community Services Total		1,712,304

Facility Services

FACILITY SERVICES



About Facility Services

Facility Services is a division under the Community Services Department that maintains and manages the municipality's building portfolio.

Facility Services manages and maintains the following:

- 2 municipal operations centres (Delaware and Denfield)
- 1 municipal administration office
- 2 arenas with 3 ice sheets (Komoka and Ilderton)
- 4 libraries (Komoka, Delaware, Ilderton and Coldstream)
- 5 community centres (Komoka, Coldstream, Delaware, Ilderton and Bryanston)
- 5 fire stations (Coldstream, Delaware, Ilderton, Arva and Bryanston)
- 1 medical centre (Ilderton)
- 1 leased property (Bryanston School – OPP Training Centre)



Facility Services

2023 Accomplishments

Major Accomplishments:

- ✓ **Completed a cost analysis of an Indoor Aquatic Facility to present as information to Council for consideration.**

In addition:

- Municipal Office detailed design for office renovation project
- Replace front doors at Ilderton Community Centre for \$25,000

- Replace rooftop units at Delaware Community Centre for \$8,000
- Replace exterior side entrance doors at Delaware Community Centre for \$11,000
- Coldstream Community Centre water softener replacement for \$15,000
- Replace 3 overhead door operators at Delaware Operations Centre for \$10,000
- Replace exterior kitchen door at Komoka Community Centre for \$6,000

Departmental Budget Highlights

Trends/Issues

- Labour shortages for customer service and in facility maintenance
- Increased & utility costs
- Increased material costs
- Equipment & parts delays
- Climate change and the need for more sustainable facilities
- Investments in smart building technology

Service Level Changes

- Increased building security

Capital Project Discussion

- A \$4 million dollar grant application has been made to the Federal and Provincial governments through the Green and Inclusive Community Buildings Program for the Ilderton Arena to upgrade the refrigeration plant, dasher board system and renovations to the main lobby.
- The 2024-2028 budget includes capital improvements to be completed at the facility, and staff have applied for grant funding.



Facility Services

Operating Budget Details

Facility Services has 8.6% of total operating costs.

Table: Operating Budget for Facility Services by Cost Centre

Facility Services		
Division:	Cost Center	2024 Total (\$)
Administration Municipal Office Leased Properties:		129,219
		106,140
	Facility: Bryanston School	83,296
	Facility: Medical Clinic	158,588
	Leased Properties Total	241,884
Fire Halls	Facility: Arva Fire Hall	33,172
	Facility: Bryanston Fire Hall	34,899
	Facility: Coldstream Fire Hall	35,569
	Facility: Delaware Fire Hall	26,213
	Facility: Ilderton Fire Hall	72,538
	Fire Halls Total	202,392
PWE Operations Centres:	Facility: Delaware Operations Centre	156,747
	Facility: Denfield Operations Centre	219,988
	PWE Operations Centres Total	376,736

Facility Services

Facility Services		
Division:	Cost Center	2024 Total (\$)
Community Centres:	Facility: Bryanston Community Centre	38,262
	Facility: Coldstream Community Centre	33,332
	Facility: Delaware Community Centre	94,777
	Facility: Ilderton Community Centre	110,980
	Facility: Komoka Community Centre	101,831
	Community Centres Total	379,181
Arenas	Facility: Ilderton Arena	671,224
	Facility: Wellness Centre	2,071,291
	Arenas Total	2,742,516
Libraries	Facility: Coldstream Library	9,447
	Facility: Delaware Library	24,226
	Facility: Ilderton Library	35,151
	Libraries Total	68,823
Facility Services Total		4,246,890

Fire & Emergency Services

FIRE & EMERGENCY SERVICES



About Fire & Emergency Services

Middlesex Centre Fire Services (MCFS) offers a first line of emergency response, fire prevention, and investigative services to our local communities. Our professional paid-on-call firefighters, fire prevention officer and headquarters staff work out of five fire stations located across the municipality.

- **Fire Prevention and Investigation:** MCFS offers fire safety inspections on a routine, request and complaint basis on behalf of Middlesex Centre, Thames Centre and North Middlesex. As of mid-November 2023, fire prevention has conducted 253 inspections and 12 fire investigations.
- **Public Education:** MCFS offers several focused programs designed to educate age groups with content that is both commensurate and beneficial. Using trends and Provincial support, MCFS continues to provide 4 recurring events which include: in-school presentations, Sparky Backpack

and Chalk it Up interactive campaigns and our annual smoke and CO alarm home visits.

- **Emergency Response:** As of mid-November 2023, fire crews had responded to more than 360 requests for assistance. This includes fires, vehicle collisions, open air burning, technical rescue and requests for medical intervention.
- **Training:** Department level training has been modified to be more conducive to firefighter's schedules. At a higher level, the development and partnership with the Fire Marshal's Office, shared fire certification training has evolved to be a regional training centre. This partnership encompasses Elgin, Middlesex and Oneida First Nations.
- **Apparatus:** 19 fire apparatus (vehicles) located at headquarters and five fire stations which include engines, pumper/tankers, rescue units, a utility terrain vehicle, and a water rescue boat and rapid deployment craft.



Fire & Emergency Services

2023 Accomplishments

Major Accomplishments:

- ✓ **Fire Prevention & Investigation Services - Municipal partnerships**
- ✓ **Deployment of the Fire Services Master Plan - Fire and Community Risk Assessment**
- ✓ **Fire Operations - Municipal Partnerships**
- ✓ **Fire Services - Fire Underwriters Survey (FUS) Departmental Review**

In addition:

- Continuation of the Personal Protective Equipment (PPE) cyclical replacement program at \$38,000
- Non-capital equipment including medical supplies, portable radios, pagers, base radios upgrade program, ancillary equipment and the replacement of outdated tools in the amount of \$74,500
- Completion of a department-wide Fire Underwriters Survey (FUS) readiness and response capability review
- Continuation with a green energy initiative by converting from gas power to battery operated tools. This department-wide project currently is tracking at 90% complete.
- Ongoing cyclical training, enhanced officer development opportunities along with probationary firefighter and driver training, regulatory NFPA certification and tiered medical training.
- Fiscally responsible training partnership with Elgin County, Oneida First Nations and the Ontario Fire Marshal's Office
- Began the implementation of the Fire Plan Master and Community Risk Assessment.
- Fire Marque revenue increase of \$19,404 over the 2022 value of \$12,749 (currently \$32,153 to Nov. 2023).
- Continued delivery of a Fire Prevention and Investigation program in support of two neighboring municipalities producing an average revenue stream of approximately \$53,000 annually.
- Enhancement of the current fire Investigation team from one to five members to improve efficiency and service level.
- Engaging with neighboring municipalities to develop service agreements for the delivery of special operations teams such as high-angle rope, ice/water and off-road rescue services
- Refining and ongoing development of the fire report and asset management system along with a dispatch component in partnership with Strathroy Dispatch and Fire Services.
- Acquired three significant Fire & Emergency Services grants which enhance and support multiple MCFS projects:
 - Project Assist which provided free training materials,
 - Fire Marshall's Public Fire Safety Council Grant, and
 - Project Zero, which provided free smoke and carbon monoxide alarms for public distribution



Fire & Emergency Services

Departmental Budget Highlights

Trends/Issues

- Rate of growth and current economic climate continues to affect call volumes, which are increasing at a rate of approximately 10% annually. This equates to increased operating costs including wages, equipment requirements, training needs and maintenance.
- Response models for standards of cover require development and testing in order to address non-emergency calls, which burden resources and inflate costs.
- As requirements in the fire service continue to expand, new regulations are established requiring compliance. Examples for 2023 include training/certifications and changes to investigation criteria.
- Recruiting, retention, and availability of firefighters persists to be challenging especially as growth continues.
- On-call scheduling to meet staff readiness, regulated responsibility and resident safety require support in the way of equipment, wages, and training (e.g., fire investigations, peer support teams and senior staff oversight)

Service Level Changes

- Deployable and scheduled fire investigation team supporting two municipalities.
- Deployable and scheduled wellness program/peer support teams for firefighter well-being.



Fire & Emergency Services

Operating Budget Details

Fire & Emergency Services has 4.1% of total operating costs.

Table: Operating Budget for Fire & Emergency Services by Cost Centre

Fire and Emergency Operations		
Division:	Cost Center	Total (\$)
Fire Operations	Fire Hall - Arva	242,387
	Fire Hall - Bryanston	169,607
	Fire Hall - Coldstream	252,382
	Fire Hall - Delaware	295,338
	Fire Hall - Ilderton	243,099
	Fire Operations Total	1,202,813
Special Operations		18,400
Fire Administration		657,827
Fire Prevention:	Fire Prevention	82,225
	Fire Prevention - North Middlesex	19,317
	Fire Prevention Thames Centre	25,455
	Fire Prevention Total	126,997
Emergency Operations		4,950
Fire and Emergency Operations Total		2,010,987

Public Works & Engineering: Transportation & Administration

PUBLIC WORKS & ENGINEERING: TRANSPORTATION & ADMINISTRATION



About PWE: Transportation & Administration

The Transportation Division of Public Works and Engineering (PWE) is critical to keeping Middlesex Centre moving. Staff manage a busy, year-round portfolio, including summer construction and winter maintenance.

PWE Transportation maintains:

- 662 lane km of paved roads and 544 lane km of gravel roads
- 36.8 km of sidewalks
- 1,886 streetlights and 2,678 regulatory and warning signs
- 51 bridges, 99 large culverts, 2 retaining walls, 1 dam, and many smaller diameter culverts
- 3 licensed aggregate pits

PWE Administration oversees municipal drainage under the Ontario Drainage Act. PWE Administration also supports planning and development, including services such as:

- Subdivision Review and Site Plan
- Infrastructure Design Standards
- GIS Updating

PWE Administration also provides engineering expertise, capital planning, project management, and construction management for some capital projects and Middlesex Centre's water distribution systems and wastewater and stormwater collection systems (which are supported by user fees). Lead responsibility for asset management also falls under PWE.



Public Works & Engineering: Transportation & Administration

2023 Accomplishments

Major Accomplishments:

- ✓ **Road Safety - Traffic Calming**
- ✓ **Tree Planting**
- ✓ **Structure Inventory Assessment**
- ✓ **Asset Essentials Implementation**

In addition:

- Legislated Structures Inventory Assessment completed for \$40,000
- Hired multiple subcontractors to complete a variety of projects. Specifically, subcontractors are brought in for items where we need additional seasonal capacity, do not have the required specialized equipment to complete components of a project/task, or where specialized experience is required; for example:
 - Items measures such as; asphalt and concrete, spraying roadside ditches, guiderail installations, traffic sign retro-reflectivity, street lighting and traffic signal maintenance
- Completed Hardtop Patching, at a cost of \$52,4589
- Completed loose top resurfacing, loose top grading and dust control at cost of \$676,736
- Approximately 42.5 km of centerline road length was resurfaced with tar and chip. Middlesex Centre has approximately 221.7 centerline km of tar and chip surfaced roads
- Implementation of traffic calming measures in support of the Vision Zero campaign at a cost of \$25,000
- Completed snow removal, sidewalk plowing, ice blading, winter patrols, snowplowing, sanding and salting
- Completed centerline marking for 2023:
 - This includes line painting of stop bars within our settlement communities, crosswalks, edge lines and centerline of all rural surface treated and asphalt roads
 - This is typically completed in late fall following construction projects/tar and chip at approximately \$55,000
- Reconstruction of Hyde Park Road (Thirteen Mile Road to Fifteen Mile Road) for \$1,350,000
- Resurfacing of various locations in Delaware, Komoka, Kilworth, and Poplar Hill/ Coldstream, for \$1,100,000
- Rehabilitation of three bridges for \$1,062,257
- Melrose Street Light replacement for \$460,000
- Crack Sealed Fieldrun Drive and Queen Street for \$40,000



Public Works & Engineering: Transportation & Administration

Departmental Budget Highlights

Trends/Issues

- Labour shortages with general contractors and subcontractors
- Difficulty in maintaining contract timelines
- Limited labour pool for seasonal operators
- Increased material costs, impacting all aspects
- Equipment & parts delays
- Climate change impact on built infrastructure

Service Level Changes

- Improved tracking of assets replacements and conditions

Capital Project Discussion

- Old River Road Project is currently undergoing detailed design in 2023 and will continue into 2024. At this time, the expected project costs total \$5,480,923 from 2022-2026. If this project proceeds at this cost, it will be 100% funded by debt, which is paid for on the tax levy. This will result in an increase annually of approximately \$439,803 based on a 5% interest rate, requiring a tax rate increase of 1.77% to cover the debt payments alone. Refer to the debt section below for more information.



Public Works & Engineering: Transportation & Administration

Operating Budget Details

Public Works & Engineering has 18.4% of total operating costs.

Table: Operating Budget for PWE: Transportation & Administration by Cost Centre

Public Works & Engineering		
Division:	Cost Center	2024 Total (\$)
Transportation:	Adelaide Metcalfe Boundary Road Maintenance	4,000
	Bridge Maintenance	70,000
	Brush & Tree Removal	6,000
	Catchbasin Maintenance	8,000
	Cross Culvert Maintenance	40,000
	Curb & Gutter	3,500
	Cutting & Spraying	27,341
	Debris & Litter Pickup	5,000
	Ditching	5,000
	Guard Rails	25,000
	Hardtop Patching	60,000
	Hardtop Shoulder Maintenance	2,000
	Ice Blading	1,500
	Line Marking	61,500
	Loosetop Dust Control	315,000
	Loosetop Grading / Dragging	12,000
	Loosetop Resurfacing	315,000
	Municipal Drain Charges	250,000
	Pit #1 - Olalondo	19,419
	Pit #2 - Sunningdale Road Sand	2,600
Pit #3 - Hokkanson	16,500	
PWE Operations	2,277,832	

Public Works & Engineering: Transportation & Administration

Public Works & Engineering		
Division:	Cost Center	2024 Total (\$)
	Railroad Charges	11,750
	Sanding & Salting	200,000
	Sidewalks	10,000
	Slurry Seal & Rout and Seal	50,000
	Snow Plowing	30,000
	Sod Restoration	2,400
	Streetlighting	139,182
	Traffic Calming	50,000
	Traffic Counts	3,500
	Traffic Signal Maintenance	7,500
	Traffic Signs	40,500
	Tree Planting	45,000
	Transportation Total	4,117,024
Administration		1,283,971
Planning		3,525,090
Drainage		107,924
Tile Drainage		20,815
Municipal Drainage		37,357
Public Works & Engineering Total		9,092,182

Note: *Operation wages are budgeted in one account, PWE Operations account 01-3301 and will then be distributed to the other operation costs throughout the year as work is completed.

PUBLIC WORKS & ENGINEERING: ENVIRONMENTAL SERVICES



About PWE: Environmental Services

The water, wastewater and stormwater management services offered by Public Works and Engineering are critical to keeping Middlesex Centre's drinking water supply safe and secure. They play a crucial role in protecting public and environmental health in the community.

Middlesex Centre owns and operates water, wastewater and stormwater systems that operate 24 hours a day, 7 days a week.

- 13 water facilities (wells, booster stations, towers and standpipes) for drinking water supplies, and conducts 450 microbiological water tests annually
- 86 km of watermains; 909 control valves; 432 fire hydrants; and 4,123 customer service connections
- 2 wastewater treatment plants, one in Ilderton and one in Komoka, and 8 wastewater pumping stations servicing 4 municipal wastewater collection systems
- 50 km of wastewater pipes
- 9 assumed stormwater management facilities
- 67 km of stormwater collection pipes

Public Works & Engineering: Environmental Services

2023 Accomplishments

Major Accomplishments:

- ✓ **SCADA Roadmap**
- ✓ **Drinking Water Quality Management Standard (DWQMS) Accreditation**
- ✓ **Operations staff computer tablets for in-field use by water operations**
- ✓ **Wastewater Pump Station Condition Assessments**

In addition:

- Maintain service levels:
 - Management of water and wastewater treatment and distribution infrastructure through operator-controlled and automated processes, and schedule preventative maintenance of asset components
 - Protection of the environment through quality and quantity control of stormwater
- Completed Servicing Master Plan for the Drinking Water System, Wastewater System, Stormwater and Waste Management.
- Developed a SCADA (supervisory control and data acquisition) standard a guidance document for future modernization of the SCADA System to support water and wastewater treatment and compliance requirements for \$138,400.
- Constructed a new computer server room along with the installation of a new SCADA rack system to support future upgrades at a total cost of \$46,500.
- SCADA system communications networking upgrades at a cost of \$55,624 for the water and wastewater satellite facility communications.
- Cleaned out and repaired and added new sand to the tertiary sand filters at the Ilderton WWTP for a cost of \$113,900.
- Installation of new Dissolved Oxygen instrumentation at the Komoka wastewater treatment plant for a cost of \$60,241
- Supported development through the commissioning of new watermain expansions.
- Melrose Water Interconnect engineering design started to enable connection to the Middlesex Centre Water Distribution System for a cost of \$220,500.



Public Works & Engineering: Environmental Services

Departmental Budget Highlights

Trends/Issues

- Labour shortages with general contractors and subcontractors
- Difficulty in maintaining contract timelines
- Increased insurance costs and utility costs
- Increased material costs, impacting all aspects.
- Equipment and parts delays
- Climate change impact on built infrastructure and consideration in future design
- Calls for lower water, wastewater and stormwater rates from residents and businesses

Service Level Changes

- Improved tracking of asset replacements and asset conditions

Capital Project Discussion

- The municipality has proactively identified a need to complete a Supervisory Control and Data Acquisition (SCADA) Road Map to identify a long-term plan and goals for their water and wastewater SCADA systems. This document will define the process to upgrade existing systems and to deploy technology that provides

operations, maintenance and management with control and monitoring capabilities over their water and wastewater systems. It will provide a high-level summary of the recommended projects and budgetary cost estimates for an overall SCADA system upgrade program for the next decade. These costs will be included in the 2024-2028 capital budget.

- The Komoka Drain No. 1 Stormwater management pond is currently identified as debt funded. However, staff will be funding this project internally in 2024 and will re-evaluate the project costs and funding when completing the Stormwater long range financial plan. It is preferable to fund this project within the current stormwater reserve fund to avoid the additional interest costs.
- In 2017 a Class B Environmental Assessment was completed with the recommendation interconnect Melrose water system to the Komoka – Mt. Brydges Secondary Transmission Main. The upgrades and connection will occur in 2024 and will include the following:
 - Newly installed water main will be connected to a transmission main on the east side of Vanneck Road up to Wynfield Gate to the treatment plant.
 - The existing water treatment facility will be converted to a water storage site, pump station and secondary chlorination.
 - Water will continue to be distributed to the community through the upgraded facility.



Public Works & Engineering: Environmental Services

Operating Budget Details

Environmental Services has 21.6% of total operating costs.

Table: Operating Budget for Public Works & Engineering: Environmental Services by Cost Centre

Environmental Services		
Division:	Cost Center	2024 Total (\$)
Wastewater		4,023,502
Stormwater		1,142,800
Water		4,031,949
Waste Management:		
	Enviro Depots	80,017
	Garbage Collection	553,560
	Garbage Disposal	385,680
	Recycling	430,700
	Waste Management Total	1,449,957
Environmental Services Total		10,648,208

Fleet Services

FLEET SERVICES



About Fleet Services

Fleet Services look after all of the municipality's vehicles – everything from snowplows to fire engines to ice resurfacers. The current municipal fleet of more than 150 vehicles and pieces of equipment includes:

- 2 fully electric and 5 hybrid vehicles
- 4 fire engines, 5 fire tankers, and 6 rescue trucks
- 29 light-duty trucks and automobiles
- 5 medium-duty trucks
- 17 heavy-duty trucks
- 3 ice resurfacers
- numerous mowers, tractors, graders, etc.



Fleet Services

2023 Accomplishments

Major Accomplishments:

- ✓ **Implement use of a Work Order System**

In addition:

- Minimized outsourcing of repairs
- Continued to prioritize repairs and needs of various departments to ensure all departments are well serviced

Departmental Budget Highlights

Trends/Issues

- **Fuel, oil, repairs and maintenance increases:** We have all seen the significant increase in fuel and oil prices over the course of 2023. Fortunately, this had been accounted for in our 2023 budget thus the 2024 budget for fuel and oil has not changed significantly. It is uncertain if there will be continued upward pressures on fuel prices, but we do not anticipate seeing the same increases that were experienced in 2023, the expectation is that costs will remain stable. The cost of parts in 2024 is anticipated to be higher than 2023 but an accurate projection is difficult with the market volatility.



Fleet Services

Operating Budget Details

Fleet Services has 2.7% of total operating costs.

Table: Operating Budget for Fleet Services by Cost Centre

Fleet Services	
Division:	2024 Total (\$)
Fleet Administration	360,098
Fire Fleet	87,700
Building Fleet	8,050
PWE Transportation Fleet	748,305
Environmental Services Fleet	19,150
Community Services Fleet	125,000
Fleet Services Total	1,348,303

Budget Summary

BUDGET SUMMARY

The Big Picture

- **6.34% Tax Levy Increase** (2023: 6.16%)
- **3.22% Tax Rate Increase** (2023: 2.50%)
- **\$49,300,886 in Operating Costs** (2023: \$43,871,181)
- **\$30,626,375 in Capital Projects** (2023: \$26,739,581)
- **\$79,927,261 Total Municipal Budget** (2023: \$70,610,762)
- **\$17,199,410 Transfers to Reserve Funds** (2023: \$15,276,126) *
- **\$31,662,955 Transfers from Reserve Funds** (2023: \$22,816,167) *

**Includes all reserve funds, including Water, Wastewater, Stormwater, Building*



Budget Summary

What is the residential tax impact?

For the average Middlesex Centre residential homeowner, municipal taxes will increase by \$83 in 2024 (excluding the education tax and Middlesex County taxes).

It is important to note that there were no re-assessment increases in 2024. Your property assessment will be the same as it was in 2020, unless you had a change to your property that was being assessed such as a new home, new addition, etc.

Table: Average Residential Tax Rate and Assessment Increases, with 3-year Comparison

Tax Rate/Assessment	2024	2023	2022	Notes
Average Residential Property Assessment (as determined by MPAC)	\$400,000	\$400,000	\$400,000	Assessment values are determined by MPAC. They have not changed over this period.
Middlesex Centre Property Tax (based on tax levy approved by Council)	\$2,667	\$2,584	\$2,521	This is the Middlesex Centre portion of taxes only. Middlesex Centre also collects taxes on behalf of Middlesex County and the school boards.
Change over Previous Year	+\$83	+\$63	+\$68	Middlesex Centre will have a 3.22% tax rate increase in 2024, compared to 2.5% in 2023

Budget Summary

What is the farm tax impact?

For the average Middlesex Centre farm owner, municipal taxes will increase by \$52 in 2024 (excluding the education tax and Middlesex County taxes).

It is important to note that there were no re-assessment increases in 2024. Your property assessment will be the same as it was in 2020, unless you had a change to your property that was being assessed such as new home, addition, etc.

Table: Average Farm Tax Rate and Assessment Increases, with 3-year Comparison

Tax Rate/Assessment	2024	2023	2022	Notes
Average Farm Property Assessment (as determined by MPAC)	\$1,000,000	\$1,000,000	\$1,000,000	Assessment values are determined by MPAC. They have not changed over this period.
Middlesex Centre Property Tax (based on tax levy approved by Council)	\$1,667	\$1,615	\$1,576	This is the Middlesex Centre portion of taxes only. Middlesex Centre also collects taxes on behalf of Middlesex County and the school boards.
Change over Previous Year	+\$52	+\$39	+\$43	Middlesex Centre will have a 3.22% tax rate increase in 2024, compared to 2.5% in 2023.

Budget Summary



**Middlesex Centre
Tax Increase
RESIDENTIAL**



**\$83
Annually**



**\$6.92
Monthly**



**Middlesex Centre
Tax Increase
FARM**



**\$52
Annually**



**\$4.33
Monthly**

Final Considerations

FINAL CONSIDERATIONS

Ongoing Budget Monitoring

Monthly financial reports will be presented to Council which will explain budget variances to date and expected future budget variances for operating costs. Quarterly financial reports will be presented to Council which will explain budget variances to date and expected future budget variances for capital costs.

→ Budget monitoring information is available as part of each month's Council meeting agenda, and can be found at middlesexcentre.ca/council-meetings

Outstanding Items

There are still some outstanding items at this time:

- Federal and Provincial grant opportunities have been announced and staff continue to actively pursue all viable grant opportunities to leverage wherever possible. No funding is confirmed and included in the 2024 budget, unless it has been confirmed.

- The complete impacts of Bill 23 budget impacts related to development charges is unknown, however the funding from development charges has been decreased in 2024 to reflect these changes. Additional analysis will be completed as part of the final budget booklet.
- Ontario Community Infrastructure Fund (OCIF) and Canada Community Benefit Fund (CCBF) have been announced; however, the municipal amount for 2024 has not been released. Staff have budgeted the 2024 value at the same amount as 2023.
- The final property tax assessments have not been published by MPAC. These are not expected until the end of November 2023.
- The final amounts from conservation authorities for their 2024 budgets.
- Some third-party data is not yet available. Tables related to comparisons to other municipalities or overall financial position (in the supplementary information) will be updated when that data is received.



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