

**Appendix B – Tax-Supported Operating Budget Decision Packages, Growth**

<b>DP#</b>	<b>Status</b>	<b>Decision Package Name</b>	<b>Category</b>	<b>FTE</b>	<b>Operating Cost</b>	<b>Revenue / Recovery / Offset</b>	<b>Tax - Growth Net Impact</b>	<b>Tax - Base Net Impact</b>
<a href="#">10</a>	Recommend	Senior Asset Management Specialist	Enhance / Growth	1	\$ 130,056	130,056	-	-
<a href="#">16</a>	Recommend	Arkinstall Park Splash Pad Operation	Enhance / Growth	0	\$ 45,000	-	45,000	-
<a href="#">19</a>	Recommend	Sidewalks Winter Maintenance	Enhance / Growth	0	\$ 50,000	-	50,000	-
<a href="#">31</a>	Recommend	Roads & Bridges Historical Impact of Development Assumptions	Enhance / Growth	0	\$ 269,130	-	269,130	-
<b>Total Operating - Recommended</b>				<b>1</b>	<b>\$ 494,186</b>	<b>\$ 130,056</b>	<b>\$ 364,130</b>	<b>\$ -</b>





**2022 BUDGET  
Operating Decision Package Form**

Project / Initiative Name: **Sidewalks Winter Maintenance - Growth**

Net Costs: \$ **50,000**      Resources Requirements: **No New Resources**      Decision Package #:

Commission/Area: **Development and Infrastructure Services Commission**      Division/ Departments: **Public Works- Parks**

Legislative Requirement (select one): **Yes**      Quote Legislation: **Ontario Minimum Maintenance Standards Reg 239/02**

**Section 1 : Project Scope**

**1.1 - Project Classification and Overview**

Provide comprehensive overview of the project request      Classification (select one): **Enhance / Growth**

This request is for contract services related to winter maintenance on sidewalks in various assumed subdivisions. In 2020/2021 winter season, there was over 7.5 kilometres added alone from either assumptions or newly built sidewalks in Town. In 2019/20 winter season, there was over 6.5 KMs added. With more sidewalks to be assumed this year and in future years, the routes needed for winter maintenance are increasing, this will be over the max allowance in a working day for plowing. Contractor route is needed to support this.

**1.2 - Project Alignment and Justification**

Outline justification for need of project request      Corporate Alignment & Opportunity (select one): **Approved Strategic Plan**

**ONLY SELECT FROM PICK LIST IF COUNCIL PRIORITY SELECTED IN CORPORATE ALIGNMENT & OPPORTUNITY SECTION ABOVE**

As noted in the Council strategic priorities safe transportation related to safe streets and sidewalks for pedestrian use, need to keep clear and safe for winter use

**1.3 - Levels of Service**

Outline the desired outcome and/or benefits      Levels of Service & Infrastructure Impact (select one): **Secures Existing Service Levels**

Contractor winter maintenance route needed to keep up with additional areas related to growth of assumed subdivisions.

**1.4 - Community Impact**

Outline Community Impact (if applicable)      Community Impact (select one): **Moderate Impact - Moderate utilization**

This request is to ensure new assumed areas in Town are winter maintained with the same service level of the rest of the Town according to Ontario MMS and Newmarket NMS-19.

**1.5 - Risk**

Outline the risks associated with the project both positive and negative      Risk Category (select highest risk area): **Health and Safety**

Timelines for Potential Risk Impacts: **Within 1 year**

Failure to maintain the new assumed/built sidewalks may cause Health and safety issues to pedestrians such as slipping, falling, etc. This may also result in third party losses from litigation related to slips and falls, and damage to corporate image.

**Section 2 : Financials**

**Details of Incremental Expenditures, Savings and Revenue**

Operating Costs		2022	2023	2024	2025	2026	2027
Account #	Description						
52822.453	Contracted Services	50,000	50,000	50,000	50,000	50,000	50,000
Account #	New Hire Requests In \$						
	FTE						
	PTE						
	CONTRACT						
	BENEFITS - FTE	-	-	-	-	-	-
	BENEFITS - PTE	-	-	-	-	-	-
<b>Total Operating Costs</b>		<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
Cost Recoveries		2022	2023	2024	2025	2026	2027
Account #	Description						
<b>Total Cost Recoveries</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Net Cost</b>		<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

**Section 3 : Sign-off**

Collaboration:       Consulted With:

**Prepared By:** **Jeff Bond**      **Reviewed By:** **Mark Agnoletto**      **Commissioner:** **Peter Noehammer**

**2022 BUDGET  
Operating Decision Package Form**

<b>Project / Initiative Name</b>		<b>Roads &amp; Bridges Historical Impact of Development Assumptions</b>			
<b>Net Costs</b>	\$ 269,130	<b>Resources Requirements</b>	<b>New Resources</b>	<b>Decision Package #</b>	
Development and Infrastructure Services Commission			Division/ Departments: Public Works- Roads		
<b>Legislative Requirement (select one):</b> No		<b>Quote Legislation:</b>			

**Section 1 : Project Scope**

**1.1 - Project Classification and Overview**

<b>Provide comprehensive overview of the project request</b>	<b>Classification (select one):</b> Replacements, Rehabilitation and/or Maintenance
<p>When communities are constructed by developers, the Town experiences new revenue from the assessment growth that comes from properties generating new or increased property taxes. When construction is complete, a handover takes place and the Town becomes responsible for the assets (e.g. roads, water mains, etc.) that form the community. From the day assets are assumed, they require ongoing operations and maintenance. For example, streets must be plowed, water infrastructure like hydrants must be serviced, sewers need to be inspected, and drainage features require cleaning. By assuming assets, the Town is acquiring both a new source of revenue and a set of liabilities that require funding and maintenance. Review of assessment growth allocations and operations and maintenance practices during the development of the 2021 Asset Management Plan demonstrated that as the Town gains assessment growth, it does not fund the liabilities for maintenance that the new core assets generate. This is a common issue in municipalities that experience growth, as new assets can be ignored at the beginning and an "illusion of wealth" takes place. The 2022 decision package begins the process of addressing this historical liability through a "catch-up" process that will take several years to complete.</p>	

**1.2 - Project Alignment and Justification**

<b>Outline justification for need of project request</b>	<b>Corporate Alignment &amp; Opportunity (select one):</b> Council Priority
<p>• Develop a multi-year operating and capital budget that aligns with Budget Policies.</p> <p>Core assets like roads and water are long-lived assets that require multi year budgeting in order to manage proactively, and the Council commitment to the priority for financial sustainability reflects this. The completion of the 2021 asset management plan requested by Council is another priority that directly supports work to develop better operating and capital budgeting practices. The review of growth, operations, and maintenance during the 2021 asset management plan demonstrates progress towards multi-year budgeting if the appropriate action is taken through this 2022 decision package request. Current practice prior to asset management planning was negatively impacting the Town's long term investment in its infrastructure, an unsustainable trend. By funding the historical impact of unfunded growth liabilities, the Town is demonstrating its commitment to a better approach to multi-year budgeting going forward. Between 2016 and 2020, the Town assumed 17 kilometers of roads, 24 kilometers of water mains, 20 kilometers of wastewater sewers, 21 kilometers of storm sewers, 2 ponds, and 1 vehicle bridge. The estimated operating impact of these assets is \$970,000 per year, based on the Town's current level of services and funding commensurate to the new asset requirements. The -\$977k breakdowns down to: Roads (~\$276,000 / year), Water (\$360,000 / year), Wastewater (\$231,000 / year), and Stormwater (\$101,000 / year). These gaps occur every year, and addressing them over time (2022 request does not address the entire gap) will demonstrate a commitment to multi-year operating budgets.</p>	

**1.3 - Levels of Service**

<b>Outline the desired outcome and/or benefits</b>	<b>Levels of Service &amp; Infrastructure Impact (select one):</b> Secures Existing Service Levels & Addresses Infrastructure Gap
<p>These funds are required for all areas of Town to sustainably receive the same level of service. If an additional burden is placed on limited resources without a commensurate increase in funding or staff, the result is the same resources being stretched across a larger asset base - ultimately resulting in a decrease in levels of service. The Town's current level of service includes operational activities like inspections, customer requests, completion of regulatory requirements, etc. and maintenance activities like cleaning and repair work. Each of these activities requires field staff resources, administrative support, vehicles and equipment, and contracted services - without the funds to support these activities, the level of service cannot be provided. Levels of service are funded by tax paying "customers", and when a new asset is assumed the funding is intended to come from the customer paying for that new service. If assessment growth is not allocated to the new maintenance requirement, the level of service cannot be provided sustainably. If the level of service is in fact being provided without an assessment growth contribution (as is usually the case now), then it is because other "customers" are allocating their own resources to support the new addition to the asset portfolio in another area of Town. When new assets are assumed, the commensurate level of assessment growth is required to fund the new assets with the same service other assets receive, if the Town wishes to be financially sustainable, address growing infrastructure gaps, and secure our current level of service.</p>	

**1.4 - Community Impact**

<b>Outline Community Impact (if applicable)</b>	<b>Community Impact (select one):</b> Moderate Impact - Moderate utilization
<p>Increased demand without increased resources incrementally decreases the level of service the Town is able to provide Town-wide, although not all of these drops are immediately realized by customers/residents in their day-to-day community interactions. However, this will change over time as maintenance backlogs increase and become more apparent to residents. If current practices continue with new assumed assets during 2022 and beyond, the rate at which this occurs will also accelerate. While the source of assessment growth is limited to the community where it occurs, the impact of this is felt across Town as staff try to provide the expected level of service with the same resources being stretched further than before. By providing the resources to meet the liabilities of growth, Public Works will be able to provide the administration, field staff, equipment, materials, support costs, and contracted services needed to maintain the existing level of service for the entire community, inclusive of existing residents and new developments. This does not include the end of life replacement cost, which will also need to be planned for through incremental ARF increases.</p>	

**1.5 - Risk**

<b>Outline the risks associated with the project both positive and negative</b>	<b>Risk Category (select highest risk area):</b> Operational
	<b>Timelines for Potential Risk Impacts:</b> Within 3 months
<p>The risks of not funding the maintenance obligations from newly assumed assets through assessment growth are a combination of operational, financial, and social factors. At an operational level, there is an immediate need to provide the staff and supports needed to meet service expectations. Without these resources, operations and maintenance practices become more reactive and service levels will ultimately drop. This is the most immediate and pressing risk - since 2016, only a small fraction of the maintenance impact of assessment growth has been funded, meaning the shortfall has already been occurring for years. At the financial level, there is a medium-long term risk of unfunded liabilities caused by maintenance backlogs. Other financial risks include funding activities that do not align with the demand drivers or revenue sources of assessment growth. This is occurring already but will the impacts will likely not be realized until the medium term. At a social level, those funding assessment growth have the expectation their tax dollars are going towards the services they receive in their community. By not funding the maintenance requirements of the community, the Town is not meeting this understanding. Instead, the tax dollars that do pay for the maintenance in newly assumed areas is coming from other sources or areas, ultimately subsidizing the maintenance liabilities that they did not generate themselves. As service levels drop, it will raise questions about equity and responsible use of resources. This is a long term risk of not funding new maintenance obligations from its own assessment growth.</p>	

**Section 2 : Financials**

Operating Costs		2022	2023	2024	2025	2026	2027
Account #	Description						
	Roads	237,726					
	Bridges	31,404					
Account #	New Hire Requests In \$						
	FTE						
	PTE						
	CONTRACT						
	BENEFITS - FTE						
	BENEFITS - PTE						
<b>Total Operating Costs</b>		269,130	-	-	-	-	-
Cost Recoveries		2022	2023	2024	2025	2026	2027
Account #	Description						
<b>Total Cost Recoveries</b>		-	-	-	-	-	-
<b>Total Net Cost</b>		269,130	-	-	-	-	-

**Section 3 : Sign-off**

<b>Collaboration</b>		<b>Consulted With</b>					
<b>Prepared By:</b>		<b>Reviewed By:</b>		<b>Commissioner:</b>			