

TAY VALLEY TOWNSHIP

2014 OPERATING AND CAPITAL BUDGET

NARRATIVE

The impact of this year's budget upon taxpayers is a 1.1% tax increase, or about \$9 per \$200,000 of residential assessment. The total 2014 tax requirement of \$4,447,700 is \$78,700 more than last year, of which \$31,000 is covered by growth in our tax base. The increased requirement is attributable primarily to our OPP contract increase, payroll costs and increased waste-site operating costs, including provincially legislated waste-site monitoring.

The 2014 Budget proposes essentially the same level of services and operations as were provided in 2013, except for the fact that 2014 is an election year. Council phases the cost of this "every four-year event" by putting money into a specific reserve each year, and takes the money out in the election year. This year's election process is expected to cost some \$31,000 – all of which will be paid for by the reserve.

In 2013 Council endorsed the Township's Strategic Plan. The plan is the product of a significant amount of public input, citizen engagement, and focused effort on the part of the Strategic Planning Working Group, Council and staff. It will represent a guiding document to focus Township resources and assist Council in making important decisions for many years.

The first priority of the Strategic Plan was to develop an Asset Management Plan. The completion of this component has enabled us to update our 10-year Capital Plan, which is contained in this budget document.

Other strategic priorities focussed, among other things, on planning and economic development. We will be completing an update of our Official Plan in 2014; and Council has set aside funds to allow for the establishment of an Economic Development Working Group which will help enable small business creation and growth in areas such as tourism, home businesses, the arts and agricultural sectors. The Strategic Plan can be reviewed in detail on the Township's web-site, and hard-copies are available at the Township Office.

On the down-side, Council has huge concerns about the future costs of police services. Our policing services are provided by the Ontario Provincial Police (OPP), and have been for a long time. There is a great potential that the formula used to determine our share of OPP costs will change for 2015 and subsequent years. Our analysis of the potential change to our share of those costs shows that the proposed change would be quite calamitous for our residents and taxpayers – close to a \$900,000 increase which would require a 20% increase to our municipal levy. Council, our Police Services Board and our staff have been working very hard to ensure that the relevant politicians understand the dire implications of the proposed changes for rural municipalities such as ours. We have collaborated with two other municipalities in Lanark County to retain a skilled consultant to help us prepare a formal presentation of objection to the Province and the OPP.

Hanna Road will be reconstructed where necessary and then completely resurfaced this year; and the Second Line Road Bridge will undergo extensive maintenance work. We have been unsuccessful in securing grants to assist in the rehabilitation of Harper Road. Staff will be presenting options for extensive maintenance of the road for Council's consideration in the Spring. Our \$1.2 million 2014 capital program for roads, bridges, machinery & equipment renewal and replacement is all being paid for by our reserves, including the Federal Gas Tax Reserve.