

THE CORPORATION OF THE TOWNSHIP OF ESSA
SPECIAL MEETING - BUDGET MEETING

WEDNESDAY, January 20, 2021
3:00 p.m.

To view our live stream of the Budget Meeting, visit the Township of [Essa's YouTube Channel](#)

AGENDA

1. **OPENING OF MEETING BY THE MAYOR**

2. **DISCLOSURE OF PECUNIARY INTEREST**

CONSIDERATION OF ITEMS REQUIRING DISCUSSION AND GENERAL NATURE THEROF:

3. **CLOSED SESSION**

Recommendation: *Be it resolved that Council proceed to a Closed Session in order to address matters pertaining to:*

- ✓ *personal matters about an identifiable individual, including Municipal or local board employees [s. 239(2)(b)];*
- ✓ *labour relations or employee negotiations [s. 239(2)(d)].*

[Council proceeds into Closed Session Deliberations. This portion of the meeting is not open to the public.]

Following Closed Session Deliberations, Council rises and reports in the public forum.

Motion to Rise and Report from Closed Session Meeting of January 20, 2021.

Recommendation: *Be it resolved that Council rise and report from the Closed Session Meeting at _____ p.m.*

4. **DELEGATIONS / PRESENTATIONS**

[Note: Budget Binders have been provided for Council's reference to the 2021 Draft Budget]

- p. 1 a. Grass Cutting Business Plan
- p. 8 b. PowerPoint Presentation – 2021 Draft Budget

STAFF REPORTS AND MEMORANDUMS

5. TREASURY

- p. 18 a. **Staff Report TR01-21 submitted by the Manager of Finance, re: 2021 Draft Budget**

Recommendation: *That Staff Report TR01-21 be received; and
That Council approve the 2021 Budget in the amount of \$25,845,146.00 with a levy of \$8,097,650.00; with the exception of the portion relating to salaries and benefits in the Parks and Recreation Department; and
That Council approve the portion of the Budget relating to salaries and benefits in the Parks and Recreation Department; and
That a tax rating by-law be prepared for the consideration of Council.*

6. ADJOURNMENT

Recommendation: *Be it resolved that this Special Meeting of the Council of the Township of Essa adjourn at _____ p.m.*

Grass Cutting Business Plan



Jason Coleman

Manager of Parks and Recreation

5786 Simcoe County Road 21, Utopia Ontario L0M 1T0

(705) 424-9917

Background

The Manager of Parks and Recreation was directed by Council in 2020 to investigate and bring forward specific information for the purchase of grass cutting equipment, trailer, and staffing to be performed in house with a possible implementation start for 2021 pending the outcome of Council's decision.

The current procedure involves contracting out the grass cutting services to an external contractor who has been responsible for cutting all the required locations in the Township which is estimated to be approximately 106 acres of land. For the last 2 seasons 2019 and 2020, the Manager of Parks and Recreation, residents and Council have been challenged and faced with numerous concerns regarding the contracted company. This also includes constant requests for additional lands to be cut and trimmed. Significant complaints received regarding missed locations, consistency of cutting, quality of cutting and frequency (lack thereof) cutting. Along with little to no attention to detail regarding trimming in multiple areas.

The Township has also been notified that they must prepare to take on a new location in 2021 which is the Thornton Union Cemetery. The Parks and Recreation Department would perform grass cutting and trimming in over the 5 acres that the cemetery is situated on. Cutting the grass on the property, trimming around all headstones and the perimeter weekly would be required along with other general upkeep and maintenance. The option to perform these services in house would eliminate the need to contract out grass cutting services at this additional location added to the Township's portfolio for 2021.

Option A

Proceed with contracting out grass cutting contracting services (existing procedure).

| | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>3 yr. Total</u> |
|--|-------------|-------------|-------------|--------------------|
| Contract services for grass cutting | \$120,000 | \$126,000 | \$132,300 | |
| | | | | |
| <u>TOTAL</u> | \$120,000 | \$126,000 | \$132,300 | \$378,300 |

The above service costs include 5% yearly cost inflation.

This cost does not include Staff time to oversee the contract, take calls of complaints and disperse our staff to take care of problems.

Option B

Purchase lawn mower equipment and hire summer student staff to complete the required works.

| Capital & Operating & Maintenance Costs | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>3 yr. Total</u> |
|--|--------------------|--------------------|--------------------|---------------------------|
| Grass Cutting Equipment & Trailer | \$135,000 | 0 | 0 | |
| Staffing (3 summer students) | \$40,000 | \$40,000 | \$40,000 | |
| Maintenance & Insurance for Equipment | \$6,500 | \$7,500 | \$8,000 | |
| Asset Management | \$10,000 | \$10,000 | \$10,000 | |
| | | | | |
| <u>TOTAL</u> | \$191, 500 | \$57,500 | \$58, 000 | \$307,000 |

Excluding applicable taxes.

Detailed Capital Cost will include:

1. 11 Foot Toro Groundsmaster 4000-D Lawn Mower
2. 72" Groundsmaster 3200
3. Trailer to transport equipment
4. Approximately \$400 annual for insurance for trailer and mowers

Detailed Maintenance costs will include:

(oil changes, fuel, blade sharpening, repairs)

Advantages of contracting out grass cutting

- No significant up-front cost
- No increased responsibilities for staffing or training required

Disadvantages of contracting out grass cutting

- Numerous complaints regarding missed locations, frequency, consistency, and quality of locations
- Often there are additional cuts required outside of months between April and October and sometimes more frequent cuts required (2 times per week)
- Yearly cost fluctuates, less predictability
- Current company is \$60,000 for 1 season of cutting (April to October). The next company on the previous tender results in 2019 was approx. \$100,000.
- If the Township is to re-tender grass cutting, it would be estimated around \$110,000 to \$130,000 for 1 year.
- **Administration overhead cost for coordination and handling complaints**
- Lack of control over staffing of contracted staff

Advantages of performing grass cutting in house

- Improved quality of service for the Township and residents
- Significant decrease in the number of complaints received which will reflect on administration overhead costs
- Better overall control of service
- Increased accountability and reliability
- Based on diagram relating to option B, will recoup from all capital costs by end of 2022

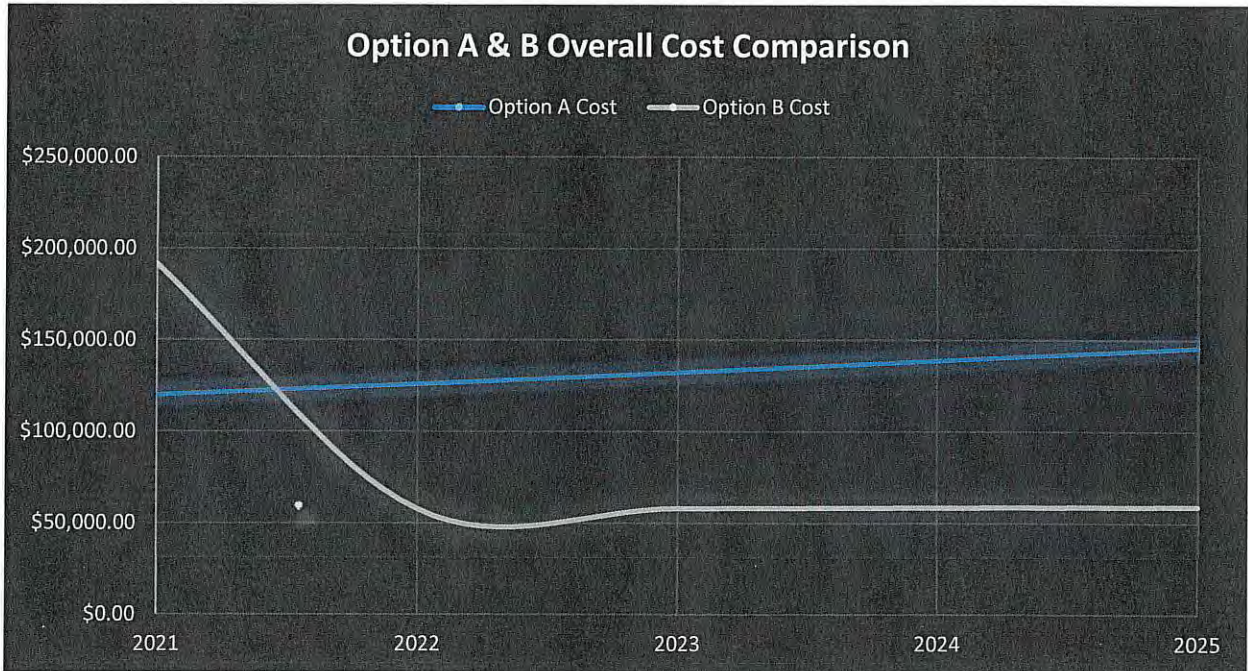
Disadvantages of performing grass cutting in house

- Increased costs for additional start up for equipment
- Increase temporary staffing cost
- Additional responsibility for management training, certifications required

Summary

Overall Cost Comparison (5 years)

Option B (Township grass cutting) will result in significant cost savings by 2022.

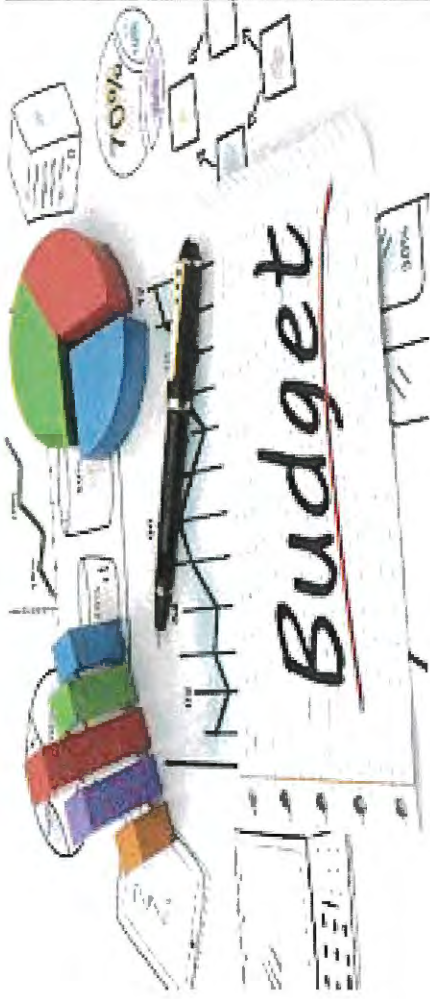


Recommendation:

It is the Manger of Parks and Recreation’s recommendation that while it may appear to have an increase of additional up-front cost to implement the grass cutting process, the cost savings and additional quality of service provided to the community overall is a better return on investment.

Attachment:

Appendix A: 2019 Grass cutting and Trimming Tender results



- 2021 DRAFT
BUDGET

2021 BUDGET CHANGES

- Library budget has been reduced by \$85,400
- Some of the reductions:
 - Thornton Shelving replacement – deferred
 - Book Collection materials - reduced
 - Building repairs and maintenance – Less physical traffic in the branches
 - Branch hours reduced



2021 BUDGET CHANGES

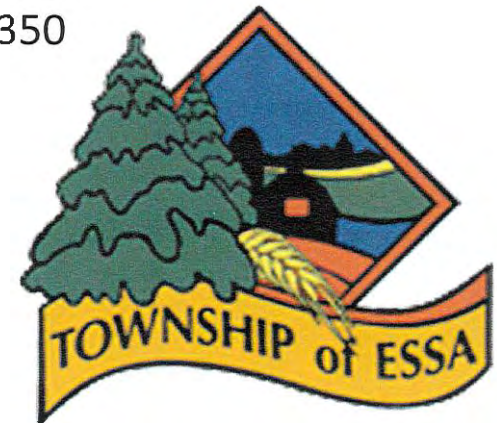
Public Works

- Reducing:
 - Dust control – Only doing 1 calcium application in 2021 will reduce the budget in the amount of \$29,500



2021 BUDGET HIGHLIGHTS

- New (second) vehicle for By-law \$ 25,000
- Replacement for Pump 2 \$685,000
- Canoe/Kayak Boat Launch \$ 78,000
- Mike Hart Basketball Court \$ 25,072
- Grass Cutting equipment \$135,000
- Outdoor Pads LED upgrade \$ 15,350



2021 BUDGET HIGHLIGHTS

- Elizabeth Street Culvert Replacement \$686,252
- Margaret Street Urbanization Phase 1 & 2 \$2,669,474
- 25th Sideroad repaving (1.5km) \$ 334,000
- Plow Truck (replacement & water tank) \$ 355,000
- Sidewalk farmer tractor \$ 63,000
(replacement & grass cutting equipment)



2021 BUDGET HIGHLIGHTS

- Thornton Pedestrian Crossing \$ 50,300
- Traffic Calming measures and RRFB's \$ 110,000
- Survey equipment & drones \$ 80,000
- Slurry Seal \$ 93,500



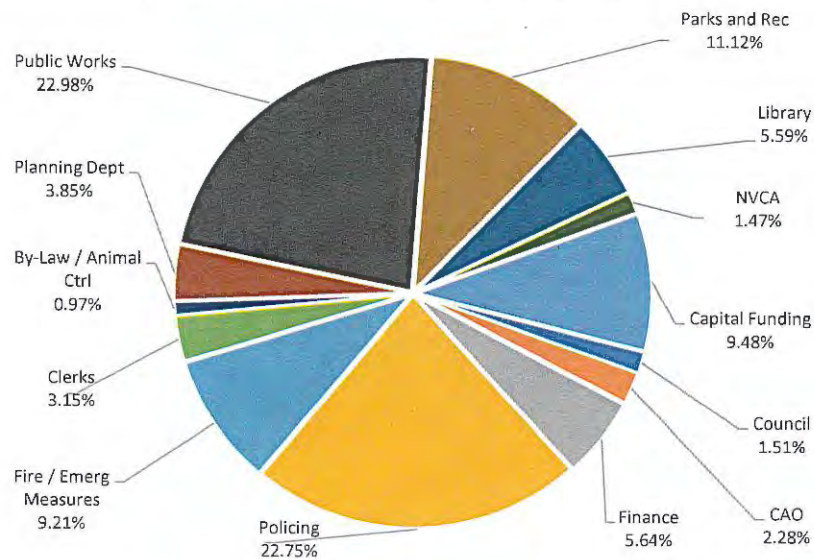
2021 Draft Budget Summary

| | |
|--|-------------|
| Municipal Operations (excl Water & Wastewater) | |
| Total Operating Expenses: | 18,605,762 |
| Total Non Taxation Revenues: | -10,508,112 |
| Taxation Required to Fund Operations: | -6,869,627 |
| Taxation Required to Fund Capital: | -1,228,023 |
| Total Tax Levy Required: | -8,097,650 |
| Water and WasteWater | |
| Total Operating Expenses: | 2,737,326 |
| Total Revenues: | -2,737,326 |
| Total Reserve Transfer From/(To) | 0 |
| Capital Budget | |
| Total 2021 Capital Request: | 7,239,384 |
| Funding | |
| Development Charges: | -1,737,400 |
| Reserves: | -732,235 |
| Grants / Gov't Funding | -3,461,726 |
| User Fees | 0 |
| Trade In (surplus Equip) | -80,000 |
| Taxation | -1,228,023 |

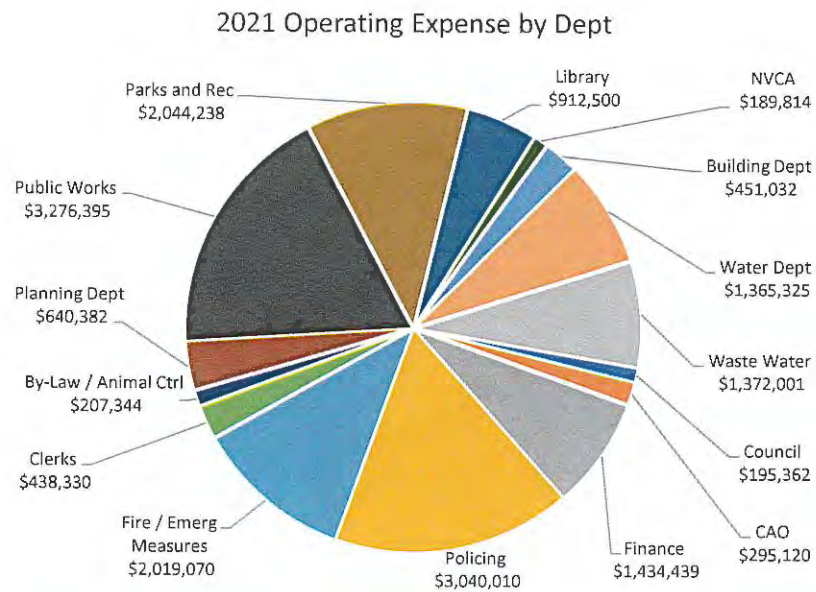


2021 Draft Budget Summary

2021 Tax Levy of \$8,097,650 by Dept



2021 Draft Budget Summary



2021 Tax Impact

Residential

Per \$100,000 Assessment:

- 2020 Taxation \$557.65
- 2021 Taxation \$574.37
- Percentage increase 3.00%
- \$ 16.73

Township, County of Simcoe and School Boards included in above





TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: TR01-2021
DATE: January 20th, 2021
TO: Committee of the Whole
FROM: Carol Traynor, Manager of Finance
SUBJECT: 2021 Draft Budget

RECOMMENDATION

That Staff Report TR01-2021 be received; and

That Council consider approval of the 2021 budget of \$25,845,146 with a levy of \$8,097,650; with the exception of the portion relating to salaries and benefits in the Parks and Recreation Department; and

That Council approve the portion of the Budget relating to salaries and benefits in the Parks and Recreation Department; and

That a tax rating by-law be prepared for the consideration of Council.

BACKGROUND

Council received staff budget presentations and reviewed the draft budget on November 18th, 2020 and December 16th, 2020.

COMMENTS AND CONSIDERATIONS

The 2021 draft budget represents an increase of 3.0% which equals approximately \$16.73 per \$100,000 of residential assessment.

Simcoe County tax increase is 0.00%.

School Board tax rates remain unchanged from the 2020 rates.

SUMMARY/OPTIONS

Council may:

1. Take no further action.
2. Approve the 2021 budget of \$25,845,146 with a levy of \$8,097,650; with the exception of the portion relating to salaries and benefits in the Parks and Recreation Department; and That Council approve the portion of the Budget relating to salaries and benefits in the Parks and Recreation Department; and

That a tax rating by-law be prepared for the consideration of Council.

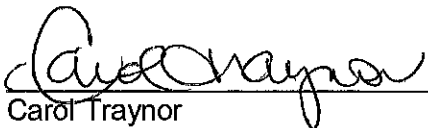
3. Direct the Manager of Finance as Council deems appropriate.

CONCLUSION:

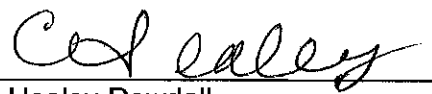
Option 2 is recommended.

Respectfully submitted:

Reviewed by:



Carol Traynor
Manager of Finance



Colleen Healey-Dowdall
CAO