

Kincardine hammers out 2016 budget with 6.5% tax rate increase

By: Liz Dadson
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Kincardine council has hammered out its 2016 budget, with a 6.5-per-cent tax rate increase. That equates to a tax hike of about \$85 on the average residential assessment.

In committee-of-the-whole last night (Feb. 8), council began with a 6.37-per-cent increase which, once combined with the Bruce County levy increase of 2.66 per cent, and estimating no change in the education tax, the overall increase would be 4.03 per cent.

Treasurer Roxana Baumann explained the changes made to the operating and capital budgets from the Jan. 25 meeting. These included:

- Use \$300,000 of the Bruce Telecom dividend for operating expenses to drop the tax rate increase by 2.73 per cent, and use the other \$300,000 for the Lifecycle Reserve Fund
- Defer the airport runway project (\$1.54-million) to 2017
- Defer Walsh Street reconstruction (\$711,505) to 2017
- Apply for a Trillium Foundation grant for tennis court resurfacing (\$150,000)
- Remove the purchase of a new council microphone system (\$20,000) from capital budget
- Add the Tiverton Columbarium project for \$61,500, funded from the Lifecycle Reserve Fund
- Include the Tiverton Sports Centre dressing room flooring and ice edger, funded from the recreation reserve fund (Tiverton Sports Centre), for \$30,000
- Include the Davidson Centre traffic study and Hamlin Street engineering, if there are savings from other non-staged projects, to cover the \$50,000 cost
- Include the fire department vehicle safety upgrades (\$6,000), funded from the Equipment Replacement Reserve Fund (Kincardine Fire)
- Defer the fire administration vehicle (\$23,000) to 2017
- Replace heat pumps in the old Westario Power building for \$20,000, funded from the remaining balance in the Municipal Building Reserve Fund (Westario Power) and the Lifecycle Reserve Fund
- Fund the Glammis County Road 1/15 project (\$140,000) from the Lifecycle Reserve Fund

Baumann said that with these revisions, the draft budget now includes 41 high-priority projects, totalling \$11,941,653; and 38 funded projects, totalling \$5,846,180; leaving three projects unfunded – Hamlin Street study, Connaught Pumping Station, and Brown's Hill Bridge – totalling \$6,095,473. She said contributions to the Lifecycle Reserve Fund amount to \$1,630,000. However, after funding the capital program, this leaves a net contribution of only \$232,809. In other words, after increasing the tax rate by three per cent for the Asset Management Plan, and directing \$365,000 in dividends toward capital, plus \$935,000 base investment, the municipality is funding only \$232,809 for long-term infrastructure requirements.

In addition, Baumann said the reserve fund balances have been updated to include the SP Armow Wind pro-rated annual payment for 2015. Based on a commercial operation date of Dec. 7, 2015, the pro-ration of the annual payment amounts to \$43,297. That payment and the \$1-million for the airport runway will be paid in the first quarter of 2016.

During discussion by committee-of-the-whole, chief administrative officer Murray Clarke said that under water and wastewater, the Connaught sewage pumping station upgrades and trunk sewer project (\$3.3-million) was turned down again for a grant. The municipality is now looking at it in conjunction with the development charges for the Hartwick Farm property.

Councillor Laura Haight asked if there is sufficient sewer capacity for the West Ridge on the Lake development on the Hartwick Farm property.

“There is not enough capacity without the upgrades to the Connaught pumping station,” said Clarke.

“Is this something that is recommended to be financed over 10-20 years?” asked Haight.

“That's certainly an option to consider,” said Clarke.

Councillor Randy Roppel pushed to have the reconstruction of Walsh Street in Kincardine (\$711,505) and the work on Maple Street in Tiverton (\$702,144) both considered priorities for 2017. The committee agreed.

Haight said this is the sustainability problem that Kincardine is facing with its infrastructure. “We don't have enough funding set aside, and even this year, we're taking dividend money from Bruce Telecom

to off-set the tax rate increase. We need some reasonable amounts put into asset management. We could debenture large projects, such as the Brown's Hill Bridge (\$2.7-million)."

Regarding the Inverhuron Pavilion project (\$300,000), Roppel said if the municipality is not interested in proceeding, then it should say so to the project committee, otherwise, the committee is wasting its time.

Haight said the difficulty for the pavilion now, is the cancellation of the water and sewer project for Inverhuron. "It's highly unlikely we have space for a septic system of the size needed for what they're proposing. Public restrooms were the key part of their proposal."

"A lot has changed," agreed mayor Anne Eadie. "We should put this project aside for now."

Roppel pushed to have the reserve money of about \$60,000 used to put washrooms closer to the beach area in Inverhuron.

"That's fair," said Haight, "are you considering sani-johns or flush toilets?"

"I would support proper washrooms, not port-a-johns," said Roppel. "We have the capacity for it and it would improve the use at the beach."

"The washrooms there would be used 10 hours per day, every day of the summer," said councillor Maureen Couture. "That would be more than eight residential units of capacity. I'm not sure the capacity is there."

The committee agreed to consider some form of washrooms at Inverhuron beach.

No support was given for staff resource for the Arts, Culture and Heritage committee, at a cost of \$60,000, so that was scrapped.

However, the committee favoured Clarke's proposal for a picnic/rest area where the airport house was located, at a cost of \$10,000.

"Staff believes we could find full sponsorship for that if council supports it," said Clarke. "It could be a shelter or soft landscaping with tables. It was just a notion."

"It's a good notion," said deputy mayor Jacqueline Faubert. "I support it. That's the kind of place I look for when we're travelling – to get out and stretch my legs and relax and eat. I'd like to see the concept."

The committee agreed to move forward with that, and supported the Kincardine Soccer Association's plans, at a cost of about \$350,000. "Let's see what they can do this year and go from there," said Eadie.

A suggestion was made to take part of the \$420,000 cost for lighthouse repairs out of the tourism reserve fund which contains \$323,610. However, the committee balked at that, given the reserve fund was initially set up for a new information centre at Highway 21 and Russell Street.

"The landscape has changed at that location," said Clarke. "Smart Centres (property owner) has put the land up for sale. We could look at other opportunities; there has been discussion about pre-serviced land being more appealing to developers. That needs to be discussed further."

Chief building official Michele Barr said the lighthouse repairs include fixing the roof and the platform at the top, new windows, railings, decorative wood brackets, repairing under the platform deck, and fixing the lantern. A lot of the cost is installing the scaffolding required to do the work, she said.

"What's left from the Armow Wind reserve fund?" asked councillor Andrew White.

"About \$43,000," said Baumann.

"Well, there's some money," said White.

The committee agreed to put the \$43,000 into reserve, along with the \$70,000 already set aside. The entire lighthouse repairs project (including phase two of new windows and replacing the wood siding) comes to \$600,000.

"We should defer this to 2017 and do the whole thing then," said Eadie.

"Just a reminder, that 2017 is Canada's Sesquicentennial celebration, and 2018 is the next Kincardine Reunion," said Haight. "That could affect the lighthouse project."

Baumann said the \$43,000 must remain in the community funds reserve, but can be earmarked for lighthouse repairs.

After extensive discussion about phragmites, and how to fund festivals, community grants and the community fund, committee-of-the-whole agreed to put an extra \$9,000 in the community investment fund.

And in the final analysis, the committee agreed on a 6.5-per-cent increase to the tax rate which equals a tax hike of \$84.46 on the average residential household. When included with the Bruce County levy and estimated education tax, the blended tax rate increase would be 4.07 per cent which equates to an

increase of \$109.30 on the average residential assessment.

That was later endorsed by council, and staff was directed to draw up a budget bylaw.