

Five new pickups, chipper draw scrutiny of Malahide councillors

Malahide councillors want to know more about the age and mileage on five township pickup trucks before authorizing their replacement this year.

And, Councillor Mark Widner told a budget committee meeting on Monday, Feb. 1, he wanted similar information for a wood chipper used by the works department, proposed for replacement at a cost of \$50,000.

He and his colleagues made their first formal foray into 2016 budget deliberations that night.

A draft budget prepared by township officials called for total spending of \$12.3-million in 2016, up from \$11.8-million in 2015.

More importantly to local property owners, the total raised through the township's tax levy would have risen from \$6.956-million to \$7.527-million, an increase of \$560,000 or 9.1 percent.

By the end of the first budget meeting, though, the proposed levy increase had already been trimmed to about six percent.

That would mean that a rural home assessed at \$250,000 in 2015 and expected to increase in value in estimated value to \$258,150, would pay about \$100 more than the \$1,818 it had last year, Finance Director Suzanna Dieleman said.

A farm valued at \$500,000 would see about the same increase of \$100.

Capital works focus

The draft 2016 budget, Ms. Dieleman said at the start of the Feb. 1 budget session, reflected an effort to take money saved through efficiencies in township operations and investing that in capital works projects.

For example, she said, a continuing campaign to convert gravel roads to a hard surface (tar and chip) meant the amount the township needed to spend each year on gravel and dust control was going down by about \$114,000.

Those savings should be diverted to increasing the kilometres of gravel roads to be converted this year, she urged.

The budget called for about six kilometres of Dorchester Road and Rogers Road to be hard-surfaced in 2016.

That conversion campaign had started in 2008, and included socking money away in a reserve fund each year to fund paving projects in future.

In the last three years, 15 kilometres of gravel roads had been hard-surfaced, she said. "Truly, that's a remarkable achievement."

But now, Ms. Dieleman said, the township needed to start saving in a reserve fund for the future rehabilitation or replacement of the township's 35 bridges.

On average, she said, each was worth about a half-million dollars and the township had no financial plan now for how to deal with needed work in future.

The bridges were inspected regularly, she said, and the only two that were rated "incredibly poorly" by an engineer were the Broadway Street Bridge in Springfield and the Pressey Line East bridge on the border with South West Oxford.

The Broadway bridge was slated for replacement this year at a cost of \$460,000, though Malahide did have a \$50,000 infrastructure grant to help pay for that, she said.

The Pressey Line bridge replacement was due to be replaced in 2017, in partnership with South West Oxford, she said. Malahide's 2016 budget included \$20,000 for its share of planning and engineering costs.

"We do need to start making the same kind of plan we made in 2009 and 2010 (for roads) for investing in our bridges," she stressed.

Economic development

The township's roads and bridges system was consistently deemed to be top priority in several Malahide plans for the future, Ms. Dieleman said, followed by economic development.

"This is a less tangible item, but it is still key and very important to promoting growth within the municipality."

Councillors had expressed interest, she said, in beautification and economic revitalization plans for Springfield and Port Bruce, focusing on commercial areas with hopes that enthusiasm would spread to nearby homes as well.

Some work, \$30,000 worth, was already planned for Wonnacott Park and the pier in Port Bruce with help from a Canada 150 grant of \$18.125, she said, focusing on improvements to a picnic pavilion.

Another \$15,000 was allocated in the budget to buy new playground equipment for the area, and \$8,750, all from the Canada 150 grant, for improvements such as new benches along the pier.

She said she had initially proposed spending \$20,000 to come up with a plan for Springfield, but since then, township officials had been in touch with Fanshawe College.

Urban planning students might take on the preparation of a plan, at a cost of \$5,000, mostly for materials and mileage, she said.

She hoped a formal plan for Port Bruce might be commissioned for a similar amount.

“I think that would be a great initiative for the development of both of the downtown areas of our major urban areas.”

A recreation development plan might also be a good idea in future years, she said. Improving township parks to make them more appealing would be a big step in attracting visitors and new residents and businesses to the area.

Community signs

The budget also proposed spending \$15,000 on 30 identifying signs for the former village of Springfield and the many hamlets within Malahide, such as Port Bruce and Copenhagen.

She said that while they were now identified with blue-and-white highway signs, she suggested something warmer in tone, “So we can make it just a little bit more attractive and appealing.”

Councillors could choose to phase in the signs, rather than installing them all at once, she added.

“Aw, jeez,” Cr. Rick Cerna commented later in the meeting. “I think that’s a little extreme.”

Bigger urban centres might need signs, but why do them all, he asked.

Cr. Wales pointed out that the hamlets involved already had identifying signs. The proposal wasn’t to put in signs for the first time, but to replace the existing ones.

Ms. Casavecchia-Somers said the new signs would be part of a “branding initiative” aimed at making Malahide a more cohesive and welcoming community.

Ms. Dieleman said Southwold and Central Elgin had installed such signs.

Developers waiting?

She then proposed to start a five-year review of Malahide’s official plan two years early, starting with a “background study” this year for \$20,000.

Developers were interested in building in Malahide, she said, and a new Official Plan could help encourage that in designated areas.

Councillors gave the nod to keeping that in the budget.

Councillors, she said, should consider in future expanding Springfield’s existing sanitary sewer system and bringing pipeline water to the village for the first time. (Currently, residents and businesses relied on wells.)

Cr. Chester Glinski asked where that water would come from, and at what cost.

Physical Services Director Rob Johnson said a previous study had suggested hooking into a water supply pipeline 13 kilometres away, west of Aylmer.

Bringing a pipeline to the south end of Springfield, close to lands designated for residential development, would cost millions of dollars, he warned.

And he believed Springfield residents had been told in the past that if pipeline water came to the village, they’d have the option individually of either connecting to the new system or not.

Cr. Mark Wales observed that, while bringing in a water pipeline would be a huge cost, expanding the existing sewer system could probably be billed to developers as they put in subdivisions.

Ms. Dieleman said that was true, but the challenge would be the current capacity allocation Springfield has at Aylmer’s sewage lagoon, in Malahide west of town.

Cr. Wales asked how much surplus capacity Springfield now had at the lagoon.

Community and Corporate Services Director Gene DiMeo replied 400 to 450 new homes could be added to the village, equivalent to the vacant development land now in Springfield.

“This was set up as the place to grow.”

Cr. Wales said he couldn’t imagine installing sanitary sewers anywhere in Malahide except Springfield.

Mr. DiMeo said any treatment facility for such sewers would be miles and miles away.

Water was a less expensive service to extend in such situations than sanitary situations, he said.

Cr. Wales said the current excess capacity for Springfield was probably more than it would need “in our lifetimes.”

“You never know,” Ms. Dieleman countered. A new 150-home subdivision now under way for Talbotville in Southwold had resulted in interest from two more developers looking at building at least an additional 100 homes.

“It can happen quickly,” she said.

Grant reduction

Turning to the operations side of the Malahide budget, Ms. Dieleman pointed out that the township faced another reduction in its annual Ontario Municipal Partnership Fund grant this year.

The grant would drop from \$1.09-million in 2015 to \$970,000 in 2016, a reduction of \$120,000.

In total, she said, OMPF grants had fallen by a half million dollars a year since 2011.

“It makes a huge impact on a small municipality when those amounts disappear,” she said. This year’s reduction alone was equivalent to a two percent increase in the township property tax levy.

The cost to Malahide for Ontario Provincial Police patrols would increase \$28,000 this year, half what she’d originally expected but still up three percent from last year.

However, Malahide’s share of security costs for a provincial offences court operated by Elgin County on behalf of its municipalities, expected last year to amount to \$5,000 annually, was actually closer to \$10,000, she said.

Beyond those increase, she said, municipal officials had managed to keep the increase in the operating budget to 1.3 percent, the same as the inflation rate, largely through finding \$30,000 to \$35,000 in “little efficiencies.”

Mayor David Mennill asked if this was the last year for OMFP reductions.

Ms. Dieleman said 2016 marked the end of five years of planned reductions, but she didn’t know what might happen in 2017.

Mileage rate

She next proposed increasing the mileage rate paid to employees when using their own vehicles to 49.5 cents a kilometre, up from 45 cents.

Workers did make a concerted effort to use township vehicles as much as possible, so the mileage being claimed was down, she said.

But, she continued, Malahide was lagging behind its neighbours in the compensation it paid when it was necessary.

Most paid 49.5 cents, and the Canada Revenue Agency allowed a rate of up to 54 cents without taxation.

The increase rate wouldn’t result in a cost higher than Malahide had already been paying annually for mileage in recent years, she noted.

Deputy Mayor Mike Wolfe first wanted to know how many kilometres were being claimed by employees in a year.

Ms. Dieleman promised to provide that information for the Feb. 8 budget session.

Cr. Widner said the township had usually increased the mileage rate in the past when fuel prices went up, but now they were “really low.”

Ms. Dieleman said fuel wasn’t the only cost covered by mileage. Insurance costs were also part of what was being compensated.

Cr. Widner said that was supposed to go down too.

Ms. Dieleman pointed out those decreases were supposed to start a year and a half ago, but hadn’t.

CRA looked at costs such as repairs and maintenance, and vehicle depreciation, as well as fuel and insurance.

Cr. Widner asked who claimed mileage.

Malahide Administrator Michelle Casavecchia-Somers said just about everyone on staff, from time to time.

Employees did their best to car-pool to training sessions and the like, but at some point most needed to go somewhere on their own when a municipal vehicle wasn’t available.

Mayor Mennill said six or seven years ago, when mileage costs were high, Malahide invested in buying township vehicles to bring that down, and he assumed it had.

It had, Ms. Casavecchia-Somers said. But employees still had to use their own vehicles for township business to an extent, and should be compensated for that.

Cr. Wales said fuel accounted for about a third when mileage rates were being calculated.

“There’s such a range out there already for different levels of government,” and before he decided, he wanted to know how many kilometres employees were claiming for.

Last year had been a good one for low gasoline prices, he said, and another was expected this year.

Fuel budgets for municipal vehicles should also be examined, he added. He saw about \$205,000 allocated for fuel this year, the same as last year, in the budget, but prices were expected to continue to be low in 2016.

Spending deficit

Ms. Dieleman, moving on to capital works, pointed out that in 2002, Malahide had spent \$1.3-million on such projects to qualify for a federal gas tax grant to municipalities.

Since then, she said, Malahide had continued to spend the same, but just to account for inflation, the township should be spending over \$1.7-million annual to maintain and expand its infrastructure.

“We’re behind by almost half a million dollars,” she said, which was why she was suggested money saved in operations be diverted to capital works starting this year.

Mayor Mennill complained that capital works used to qualify for 51 percent grant funding, and now that was down to 19.

“This irritates the hell out of me.”

Ms. Dieleman noted she wasn’t suggesting a drastic increase in capital works spending in the next couple of years, but councillors should keep in mind the need for more spending on such projects to avoid further deterioration of the township’s infrastructure.

New trucks, chipper

Five new pickup trucks and a replacement wood chipper in the capital works budget caught the attention of councillors.

The vehicles included: a new truck to replace a car now used by the fire chief, \$32,000; a new pickup for the building department, \$32,000; a new drainage pickup, \$25,000; and two new public work pickups, \$65,000.

With the addition of a chipper for \$50,000, the total comes to over \$200,000.

Cr. Widner asked for a list of all township vehicles and the mileage currently on them.

Some, like the car used by the fire chief, didn’t have many kilometres on them, he said.

Ms. Dieleman said she was assembling such a list, but didn’t have it ready in time for the Feb. 1 meeting. She would for Feb. 8.

Cr. Widner said the township had been chastised in the past for having too many vehicles, and now buying new ones was being proposed again.

“We have a fire department car?” Cr. Cerna asked.

Cr. Chester Glinski asked why a pickup truck was needed instead.

Chief Smith said he needed a vehicle that could transport supplies, not just him, between Malahide’s administration building, where deliveries were made, and the four fire stations.

He was currently relying on firefighters volunteering their pickups.

Cr. Glinski asked why the drainage pickup was so much less expensive.

Ms. Dieleman said she didn’t know specifically.

Cr. Widner questioned how many hours the chipper had been operated, and was surprised it was already wearing out.

Physical Services Director Rob Johnson said he would check on that.

“That chipper is used every day,” he added.

Reserves low?

Near the end of the public session, Ms. Dieleman said she’d been asked during a break about the state of Malahide’s reserve funds.

At the end of 2015, based on unaudited calculations, they stood at about \$4-million.

This year’s budget called for adding \$1.7-million to reserves, and taking \$1.2-million out for various projects, she said.

In 2017, though, she expected a bigger draw on reserves for, among other projects, \$300,000 to \$350,000 for Malahide’s share of replacing a bridge on Pressey Line shared with South West Oxford.

Mayor Mennill asked if the reserve funds were high or low according to provincial guidelines.

Ms. Dieleman said that the province didn’t set targets, but did compare similar municipalities, and Malahide’s reserves were about half the average.