

2024 Non-Tax Supported Budget Report



Introduction..... 4

Building The Budget 5

Reserves And Reserve Funds..... 6

Water And Wastewater Overview 7

Water Services..... 8

Wastewater 11

Wastewater Treatment 12

Wastewater Collection 14

Appendix A -Budgeted Capital Projects - Utilities..... 17

Ontario Building Code Administration 25

Introduction

The 2024 proposed non-tax supported operating budget represents the Municipality of Brockton's commitment to meeting legislative requirements, maintaining the health and safety of the community, and providing exceptional customer service.

The Municipality's non-tax supported budget is comprised of Water Services and Wastewater Treatment and Collection Services, and the Ontario Building Code (OBC) Administration. Combined, the total proposed 2024 operating budget is \$3,605,074.

Based on approved Water Works Financial Plan (2021-2026), Council approved the following rate increases each year:

Water Financial Plan:

2021 = 2%;
2022 = 3.8%;
2023 = 3.8%;
2024 = 3.8%;
2025 = 3.8%;
2026 = 3.8 %.

And the Wastewater Financial Plan:

2021 = 2%;
2022 = 4.8%;
2023 = 4.8%;
2024 = 4.8%;
2025 = 4.8 %;
2026 = 4.8%

The proposed budget includes:

- \$1.391 million operating budget for Water Services that allows Brockton to continue to deliver a safe and sustainable water supply while renewing its aging infrastructure.
- \$1.769 million operating for Wastewater Collection and Treatment Services to support continued optimization of Brockton's wastewater systems.
- \$443,135 thousand operating for OBC Administration, which includes continued investments to maintain the health and safety of the community and to enhance services for our customers.

The operating costs associated with these service areas are recovered 100 per cent through user fees and other non-tax supported revenues, and therefore do not require a property tax transfer.

Building the Budget

When developing the budget, the Municipality must consider and prioritize projects that are required to meet legislative requirements and community need. To maximize the Municipality's investment, projects that align with Brockton's Sustainable Strategic Plan, Operational/Organizational Review and the Municipality Community Official Plan—to build an exceptional Municipality by providing outstanding municipal service and value, while supporting the environmental, economic, social, and cultural pillars of sustainability—are considered.

Although the budgets are broken down into service areas, the budget is considered and approved as a whole to enhance the Municipality's decision-making process.

The development of the non-tax supported operating budget is based on key elements that align with the Municipality's financial strategy:

- A strong financial foundation that is based on a financial policy framework, which includes debt management, reserve and reserve fund and investment policies. Specifically, water and wastewater have no rate-supported debt.
- Solid financial performance as indicated through third party evaluations by the Municipality's external auditor and credit rating assessments.

Water and Wastewater budget development is centered on the objectives of ensuring regulatory compliance, managing our assets from water sources to the customer, and maintaining affordability for our customers.

Annual operating budget development for water and wastewater is based on net-zero funding principles, as defined by the Municipal Act, 2001, where revenues and expenses, including funding transfers to capital reserve funds, are balanced.

Reserves and Reserve Funds

In the 2024 proposed budget for water and wastewater services, a transfer from the contingency reserve is budgeted to maintain affordability for the ratepayer while ensuring reserves remain adequately funded at the target levels.

Most notably for the Municipality's water and wastewater infrastructure, the transfer to the capital reserves is measured against the municipality's capital need to maintain and replace our current assets. In each of water and wastewater, the operating transfer to fund capital is moving the Municipality closer to achieving sustainable asset investment.

Council receives an annual comprehensive Reserve and Reserve Fund Report that outlines fund balances, funding status compared to targets and significant transactions. Reserve and reserve fund forecasted balances are reflected in the departmental budget documentation.

Water and Wastewater Overview

Financial Planning

As part of the Safe Drinking water Act, 2002, the Province of Ontario requires municipal water service providers to develop or update a long-range financial plan every five years to renew municipal drinking water licenses. In addition to satisfying provincial requirements, the Water and Wastewater Long-range Financial plan (2021-2026) helps the Municipality provide long-term financial stability, system sustainability and community safety as it relates to our water supply. The plan also informs the budgets and rate increases submitted annually for Council approval.

Although not required by the province, the Municipality proactively includes Wastewater Services in long-range financial planning to provide a more complete and accountable picture of the water and wastewater systems and to ensure more accurate forecasting.

Summary of 2024 Proposed Water and Wastewater Rates

The following volumetric rates and basic service charges are proposed for 2024.

Table 4. Rate Change and Forecasted Residential Bill Impact

Charges	2023	2024	Change
Water volume charge \$/cubic metre	\$1.48	\$1.53	\$0.05
Water Annual Flat Rate \$/annual	\$235.77	\$244.73	\$8.96
Wastewater volume charge \$/cubic metre	\$1.57	\$1.64	\$0.07
Wastewater Annual Flat Rate \$/annual	\$265.51	\$277.87	\$12.36

The above-proposed water and wastewater rates reflect an overall expenditure increase of 3.8 and 4.8 per cent respectively to the water and wastewater operating budgets. Internal support costs, realignment of employee compensation, operating increases to utilities and studies required for asset management, and capital reserve transfers represent the largest impacts to the water and wastewater budgets.

Water Services

Water Services ensures a safe, secure and sustainable water supply for our community including water used for residential, business, recreational and firefighting purposes. The delivery of a safe, reliable water supply is a 24-hour/day business.

Council responsibility as owner

“The Safe Drinking Water Act, 2002 includes a statutory standard of care for individuals who have decision-making authority over municipal drinking water systems or who oversee the operating authority of the system.

It is important that members of municipal council and municipal officials with decision making authority over the drinking water system and oversight responsibilities over the accredited operating authority understand that they are personally liable, even if the drinking water system is operated by a corporate entity other than the municipality.”

(Excerpted from: Taking Care of Your Drinking Water: A Guide for Members of Municipal Councils)

There are legal consequences for not acting as required by the standard of care, including possible fines or imprisonment.

Council members and senior staff received training on statutory standard of care, in December 2022 with the current term of Council at the Walkerton Clean Water Center.

Key functions

Water Services is responsible for planning, design, construction, operation, maintenance and overall management of the water infrastructure assets. To meet these needs and to care for its infrastructure, the Water Services operating budget provides funding for the following key functions:

Customer service and conservation

- Customer service and support
- Utility administration and revenue management
- Staff training and development
- Compliance and conformance programs

Supply, treatment and protection

- Provision of a secure, reliable and continuous supply of treated drinking water to the water distribution system
- Implementation of programs to ensure operational and environmental compliance
- Operation and maintenance of related infrastructure including disinfection systems, supply facilities, towers, pumping stations, and reservoirs
- Management and replacement of water supply assets

Distribution and metering

- Provision of a secure, reliable, and continuous supply of treated drinking water to customers and for fire protection
- Operation and maintenance of infrastructure including water mains, valves, hydrants, and service lines
- Installation of new water billing meters and replacement of aging meter assets
- Emergency response and reactive infrastructure maintenance
- Capital infrastructure condition assessments and remediation to support loss mitigation (e.g. leak detection studies of municipal water mains)

2023 Accomplishments

- North Tower health and safety and coating repairs and replacement work
- Replace the Trunk Main from Well 7 & 9 into Walkerton
- Replace the watermain on Yonge Street between Jackson and Durham Streets
- Complete an Infrastructure Needs Study in anticipation of more residential, commercial, and industrial growth in Walkerton

2024 Initiatives

- SCADA Upgrades to the water system at Well 7/9. Existing system is becoming further out of date and difficult to find replacement parts for. System allows for live monitoring of water systems.

Our services

Initiation of key water supply projects including:

Our people

- Work closely with Veolia on the water supply services
- Continued training and certification of licensed Water Services staff to support progressive licensing and continuous improvements within the Municipality's operations

Summary of Significant Changes

- Increase in revenue due to increased user fees as per the 2021 - 2026 Financial Plan
- Increase in utilities to be inline with actuals for Water Service
- Increase in Long-Term Debt to fund the annual repayment for the Yonge St reconstruction and Trunk Main replacement.
- Decrease in the transfer to Reserve Funds

Financial information

This budget represents 4.50 percent increase over 2023.



2024 Operating Budget Summary Water

	2023 Actuals	2023 Approved Budget	2024 Draft Budget	2024 Budget Change (\$)	2024 Budget Change (%)
Revenues					
User Fees	1,228,279	1,311,511	1,361,349	49,838	3.80%
Investments	4,780				
Other Revenue	35,145	20,000	20,000		
Reserve Fund	39,370		10,619	10,619	
Total Revenues	1,307,574	1,331,511	1,391,968	60,457	(4.54%)
Expenses					
Wages & Benefits	101,478	75,561	137,711	62,150	82.25%
Maintenance	76,372	123,200	133,200	10,000	8.12%
General Expense	75,975	260,738	267,581	6,843	2.62%
Utilities	97,813	96,000	111,000	15,000	15.63%
Service Agreement	432,769	463,788	488,788	25,000	5.39%
Other	2,854	3,000	3,000		
Transfers to Reserves		242,787		(242,787)	100.00%
Long-term Debt	49,462	66,437	250,688	184,251	277.33%
Total Expenses	836,723	1,331,511	1,391,968	60,457	4.54%
Net Difference	(470,851)				

Wastewater - Treatment & Collection

Wastewater Services delivers reliable sanitary services, high quality effluent (outflow) that meets or exceeds regulatory requirements and management of the sewer use bylaw. To meet these needs, the wastewater services is a 24/7 business.

Key functions

Wastewater Services is responsible for planning, design, construction, operation, maintenance and overall management of the wastewater infrastructure assets. To meet these needs and care for its infrastructure, the Wastewater Services operating budget provides funding for the following key functions:

Facility operations and maintenance

- Operation, maintenance, optimization, and compliance of the Wastewater Treatment Facility
- Management, planning, and compliance of the biosolids program
- Planning and implementation of new capital projects to upgrade the wastewater treatment and biosolids processes
- Laboratory testing and services
- Adherence to the Saugeen Conservation Authority voluntary final effluent (outflow) limits
- Continual improvement through benchmarking against industry best practice
- Annual flushing program
- Continue the camera program for Asset Management

Sewer use by-law enforcement, wastewater collection system operation and maintenance

- Upholding Brockton's Sewer Use bylaw
- Addressing customer sewer blocks and carrying out preventative maintenance as required
- Coordinating with Engineering and Transportation Services to plan infrastructure replacements and expansions

2023 Accomplishments

- Replace Sanitary Sewer on Yonge Street between Jackson Street and Durham Street
- Engineer the Automatic Screen for the Wet Well
- Refurbish the Bio generator

2024 Initiatives

- Replacing backup blowers
- Replacing the wet well screen (engineered in 2023)

Our People

- Continue to work with Veolia Staff
- Encourage staff participate in internal engagement initiatives and opportunities for interdepartmental collaboration



2024
Operating Budget
Sewage Treatment

Summary of Significant Changes

- Increase in revenue due to increased user fees as per the 2021 - 2026 Financial Plan
- Increase in utilities to be inline with actuals for Wastewater Treatment
- Increase in Building Maintenance for general facility maintenance that is not classified as Capital
- Decrease in the transfer to Reserve Funds



**2024
Operating Budget Summary
Sewage Treatment**

	2023 Actuals	2023 Approved Budget	2024 Draft Budget	2024 Budget Change (\$)	2024 Budget Change (%)
Revenues					
User Fees	1,125,119	1,349,249	1,412,828	63,579	4.71%
Agreements	15,114	11,550	11,550		
Reserve Fund	333,676				
Total Revenues	1,473,909	1,360,799	1,424,378	63,579	(4.67%)
Expenses					
Wages & Benefits	80,412	138,901	88,251	(50,650)	(36.46%)
Maintenance	4,025	84,000	206,000	122,000	145.24%
General Expense	49,608	124,537	130,660	6,123	4.92%
Utilities	196,657	230,000	245,000	15,000	6.52%
Service Agreement	386,432	450,068	465,068	15,000	3.33%
Other		14,000	58,019	44,019	314.42%
Transfers to Reserves		264,153	175,036	(89,117)	(33.74%)
Long-term Debt	263,353	55,140	56,344	1,204	2.18%
Total Expenses	980,487	1,360,799	1,424,378	63,579	4.67%
Net Difference	(493,422)				



2024
Operating Budget
Sewage Collection

Wastewater Collection

Financial information

This budget represents 22.03 percent increase over 2023.

Table 1. Revenue trend 2022 to 2024 (Wastewater Collection)

Revenue	2022 budget	2023 budget	2024 draft budget	2024 budget change	2024 budget change
Grants and Reserve Funds	(\$137,660)	(\$142,062)	(\$204,454)	(\$62,392)	43.92%
User fees and service charge	(\$141,139)	(\$141,139)	(\$141,139)	(\$0)	0.00%
Total Revenue	(\$278,799)	(\$283,201)	(\$345,593)	(\$62,392)	(22.03%)

Explanation of changes

- \$62,392 increase in revenue due to increased reserve fund transfer to fund increased operational costs.

Table 2. Expenditure Trend trend 2022 to 2024 (Wastewater Collection)

Expenditures	2022 budget	2023 budget	2024 draft budget	2024 budget change	2024 budget change
Wages	\$16,775	\$21,482	\$30,079	\$8,597	40.02%
Maintenance	\$80,000	\$80,000	\$80,000	\$0	0.00%
General Expenses	\$182,024	\$181,719	\$235,514	\$53,795	29.60%
Total Expenditures	\$211,697	\$283,201	\$283,201	\$62,392	22.03%

Explanation of changes

- Increase in engineering services
- Increase in Long-term debt repayments.



**2024
Operating Budget Summary
Sewage Collection**

	2023 Actuals	2023 Approved Budget	2024 Draft Budget	2024 Budget Change (\$)	2024 Budget Change (%)
Revenues					
User Fees	153,118	141,139	141,139		
Reserve Fund	16,097	142,062	204,454	62,392	43.92%
Total Revenues	169,215	283,201	345,593	62,392	(22.03%)
Expenses					
Wages & Benefits	13,775	21,482	30,079	8,597	40.02%
Maintenance	27,612	80,000	80,000		
General Expense		15,000	35,000	20,000	133.33%
Service Agreement	33,972	98,963	98,963		
Long-term Debt	51,644	67,756	101,551	33,795	49.88%
Total Expenses	127,003	283,201	345,593	62,392	22.03%
Net Difference	(42,212)				

Appendix A -Budgeted Capital Projects - Utilities

Capital Analysis For period ending

Account/Description	2024 YTD Actuals	2024 Approved Budget	% of Annual Budget Remaining	2024 Budget vs Actual Variance
Water				
Expenses:				
02-3135-2205 WELL 7&9 SCADA UPGRADES	-	135,000	100%	135,000
	-	135,000	100%	135,000

ORGANIZATION

Capital Projects

Project	3135-2205 WELL 7&9 SCADA UPGRADES		
Department			
Version	1.Department Submission	Year	2024

Description

Project Description

Improve supervisory control and data acquisition (SCADA) system at Walkerton well 7&9

Justification of Project Need

Current SCADA equipment is aging and it is becoming more difficult to get replacement parts for existing equipment. MOE (MECP) has noted periodic issues during their inspections.

Budget

	Total 2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
Expenditures					
Project Expenditures	135,000	135,000			
Expenditures Total	135,000	135,000			
Funding					
Reserve Funds	135,000	135,000			
Funding Total	135,000	135,000			

Attributes

Attribute	Value	Comment
Project Management		
Location	Walkerton	
Manager	Director of Operations	
Funding & Administration		
Funding Source	Reserve Fund	
Reserve Fund	Utility RF	
Grant (If Appl.)		
Tender # (If Appl.)		
By-law # (If Appl.)		

Capital Analysis For period ending

Account/Description	2024 YTD Actuals	2024 Approved Budget	% of Annual Budget Remaining	2024 Budget vs Actual Variance
Sewage Treatment Plant				
Expenses:				
02-3140-2105 AUTOMATIC SCREEN FOR WET WELL AT WASTE	-	500,000	100%	500,000
02-3140-2400 NEW BLOWER UNIT FOR WASTEWATER TREATME	-	150,000	100%	150,000
02-3140-2401 AERATION PIPING REPLACEMENT	-	35,000	100%	35,000
	-	685,000	100%	685,000

ORGANIZATION

Capital Projects

Project	3140-2105 AUTOMATIC SCREEN FOR WET WELL AT WASTEWATER TREATMENT PLANT		
Department			
Version	1.Department Submission	Year	2024

Description

Project Description

Installation of an automatic bar screen for the wet well. The bar screen removes debris that can clog or damage sewage pumps and equipment down stream of the wet well

Justification of Project Need

- Reduce/eliminate health and safety risks of operators unclogging pumps by hand
- Reduce costly repairs to raw sewage pumps and other equipment
- Reduce health and safety risk of operator completing confined space entries to clean wet well.

Budget

	Total	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
Expenditures						
Project Expenditures		500,000	500,000			
Expenditures Total		500,000	500,000			
Funding						
Reserve Funds		500,000	500,000			
Funding Total		500,000	500,000			

Attributes

Attribute	Value	Comment
Project Management		
Location	Walkerton	
Manager	Director of Operations	
Funding & Administration		
Funding Source	Reserve Fund	
Reserve Fund	Utility RF	
Grant (If Appl.)		
Tender # (If Appl.)		
By-law # (If Appl.)		

ORGANIZATION

Capital Projects

Project	3140-2400 NEW BLOWER UNIT FOR WASTEWATER TREATMENT PLANT		
Department	<Select>		
Version	1.Department Submission	Year	2024

Description

Project Description

New blower units (2) for the Wastewater Treatment Plant.

Justification of Project Need

Existing units are aging beyond repair and in need of replacement. These units add aeration to the wastewater tanks to promote the proper bacterial growth as part of the treatment process.

Budget

	Total	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
Expenditures						
Project Expenditures		150,000	150,000			
Expenditures Total		150,000	150,000			
Funding						
Reserve Funds		150,000	150,000			
Funding Total		150,000	150,000			

Attributes

Attribute	Value	Comment
Project Management		
Location	Walkerton	
Manager	Director of Operations	
Funding & Administration		
Funding Source	Reserve Fund	
Reserve Fund	Utility RF	
Grant (If Appl.)		
Tender # (If Appl.)		
By-law # (If Appl.)		

ORGANIZATION

Capital Projects

Project	3140-2401 AERATION PIPING REPLACEMENT		
Department			
Version	1.Department Submission	Year	2024

Description

Project Description

Replace existing aerator piping at WWTP

Justification of Project Need

Existing units are in very poor condition. These pipes move air from the blowers into the raw sewage to promote the right kind of bacterial growth for breakdown as part of the waste water treatment process.

Budget

	Total 2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
Expenditures					
Project Expenditures	35,000	35,000			
Expenditures Total	35,000	35,000			
Funding					
Reserve Funds	35,000	35,000			
Funding Total	35,000	35,000			

Attributes

Attribute	Value	Comment
Project Management		
Location	Walkerton	
Manager	Director of Operations	
Funding & Administration		
Funding Source	Reserve Fund	
Reserve Fund		
Grant (If Appl.)		
Tender # (If Appl.)		
By-law # (If Appl.)		

Ontario Building Code Administration

The Municipality's Building Services division authorizes all building construction and demolition in Brockton. The division is provincially mandated to administer and enforce the Ontario Building Code (OBC); provincial legislation requires staff to maintain certification to meet provincial standards, perform mandatory inspections, and issue permits within mandated time frames.

Building Services provides the following public services associated with the administration and enforcement of the OBC:

- Pre-permit consultation, plans examination, technical reviews and application processing.
- Issuance of permits within mandated time frames to ensure conformity to the OBC.
- On-site inspections to ensure conformity with approved permit drawings specifications, the OBC and regulations.
- Response to all technical inquiries throughout building projects.
- Enforcement of OBC and initiation of legal proceedings as required.

These activities are completely funded by revenue generated from building permit and administration fees.

2023 In Review

The Building Department oversees the administration of the Ontario Building Code. To month end of October 2023, 147 Building permits with a total construction value worth \$57,217,338.90. From the past previous two years there has been a decrease in the overall number of building permits issued, however construction value in Brockton increased over \$10,000,000.00 from the previous two years to the month end of October 2023.

2024 Initiatives

Our Services

- Overseeing the delivery of building code administrative services to the public including the issuance of Building Permits, conducting required inspections, responding to inquiries from the public, developers and qualified building professionals to service level standards that municipalities must meet.
- Maintaining existing qualifications and accreditations.
- Administer the Bruce County Development Charges as approved in 2023, which will be completed at the time of the issuance of the building permit.

Summary of Significant Changes

- Engineer related services fees amended from 2023 to reflect potential additional studies related to works associated with cliff erosion project.
- Decrease in the transfer to/from Reserve Fund. 2024 has a minimal funding from Reserve Funds to assist with operating expenses.



2024
Operating Budget
Building & Property Standards

Reserve Funds: Building Services OBC Stabilization

The Building Code Act allows municipalities to establish permit fees to cover the cost of administering and enforcing the Building Code Act, and make reasonable contributions to a reserve fund. The reserve fund can be used to offset periods of lower building and construction activity, make service enhancements and cover unexpected expenses.

The following chart describes the purpose of the reserve, the forecasted 2023 year-end balance.

Reserve Fund	Description	Balance as of December 2023
Protective Inspection/Building	Funds that may only be used to help stabilize slow years in terms of building activity and permit revenue	\$723,212



**2024
Operating Budget Summary
Building & Property Standards**

	2023 Actuals	2023 Approved Budget	2024 Draft Budget	2024 Budget Change (\$)	2024 Budget Change (%)
Revenues					
License & Permits	326,825	350,000	350,000		
Other Revenue		10,000	10,000		
Reserve Fund		274,324	83,135	(191,189)	(69.69%)
Total Revenues	326,825	634,324	443,135	(191,189)	30.14%
Expenses					
Wages & Benefits	210,578	293,854	318,166	24,312	8.27%
Maintenance	530	1,300	1,300		
General Expense	17,465	79,884	64,183	(15,701)	(19.65%)
Service Agreement	29,981	42,300	49,486	7,186	16.99%
Other		10,000	10,000		
Transfers to Reserves		206,986		(206,986)	100.00%
Total Expenses	258,554	634,324	443,135	(191,189)	(30.14%)
Net Difference	(68,271)				

