



CORPORATE SERVICES *Council Memo*

TO: Council

FROM: Greg Clark, Director of Corporate Services, CFO

DATE: February 15, 2024

RE: Council direction to identify potential 5% budget savings

Background:

At the January 27, 2025, Special Council Meeting to debate the 2025 Operating and Capital budgets, Council approved the following motion.

WHEREAS the Township of Wilmot is committed to responsible financial stewardship to ensure the sustainability of municipal operations;

WHEREAS it is prudent to regularly evaluate departmental budgets to identify efficiencies and ensure alignment with Council priorities;

WHEREAS the Township of Wilmot organizational structure outlines the following departments Mayor and Council, Office of the CAO, Corporate Services, Fire Services, Community Services, Development Services, and Infrastructure Services; and,

WHEREAS the Township of Wilmot 2025 Budget includes Non-Tax Supported Operating Budgets such as Water and Wastewater Services, Building Services and Cemetery Services.

NOW THEREFORE, BE IT RESOLVED THAT Council directs Staff to identify and propose a 5% reduction to Departmental Tax Supported Operating Budgets as presented in the 2025 Budget which considers the following;

- Proposed reductions that focus on operational efficiencies and non-essential expenditures, with the aim of minimizing disruptions to essential services.*
- Consideration of innovative strategies, including shared resources, process improvements, and revenue-generating opportunities.*

AND FURTHER THAT Staff report back to Council with this information prior to the adoption of the 2025 Budget; and,

AND FINALLY, THAT Council directs Staff to report back with any significant challenges in meeting the 5% reduction target in writing to Council, including proposed alternatives for achieving cost savings.

Report:

Based on this direction staff undertook the process to identify potential items to present to Council that would either reduce the budgeted expenses or increase revenues. The values shown in Table 1 below represent a reduction in expense or increase in revenue when shown as a positive number, the one negative value represents an increase in expense. The impact of the items identified in Table 1 below fall into three categories;

Employee Engagement

These items would negatively impact staff engagement due to their removal (\$14,500).

Removal of these budget items would see the cancellation of staff events such as the year-end Holiday Celebration and Summer BBQ. It would also remove Corporate Training and Development Funding which is used to enhance the organizations' ability to improve operational efficiencies, customer service and innovation.

Level of Service Change

These items would see a change in the level of service associated with the revenue or expense (\$200,545)

Items included here such as introduction of a fee for a paper bill for Taxes and Utilities of \$2.50 per bill, would encourage use of e-billing, but would negatively impact those who wish to receive a paper bill. Community Services has included removing the entirety of the Community Grant Program, the Seasonal Community Service Guide and reduction in Seasonal Staffing, which would impact horticultural programs and special event staffing. Fire has proposed reducing the number of Volunteer Fire Fighters trained to the new standard, which would result in firefighters not being certified by July 2026 deadline, impacts on volunteer firefighters vacation time and ability to commit to completing certification requirements. Infrastructure Services has proposed reducing the number of summer students and contracted services, which will impact the ability to deliver projects on time and potentially impact budget. Development Services has included removal of budgets for Economic Development activities, which would limit the ability of staff to address these needs.

Risk of Operating Deficit

These items would increase the risk of the Township incurring an operating deficit in 2025, either through under collection of revenue or overspending due to necessity of expense (\$192,482). There are many items listed under this category, in most cases they are optimistic outcomes, that if they do not come to fruition will directly lead to a negative variance as the Township has limited ability to ensure they are realized.

The Services that are provided by the Township in most cases are not discretionary and therefore must be carried out regardless of budget impact. An example is the clearing of snow from roads during winter storm events or general repairs required for road safety. The Minimum Maintenance Standard regulation sets standards that must be met in terms of when and how often the Township must send out plows to clear snow or address maintenance items like potholes or shouldering. Township staff estimate the budget required based on historical levels

of snowfall and average number of snow events, or materials needed to complete minor repairs. However, the actual weather will determine the amount spent, not the budget. Staff will continue to clear roads, remove snow, and meet the MMS regardless of impact to budget. This applies in numerous areas, including Fire, Planning, Facility and Vehicle Maintenance, and Legislative Services.

Table 1 – Potential Tax Levy Reduction Items

Department & Item	Impact	Reduction
Mayor and Council (3.84%)		
Contingency Budget	Risk of Operating Deficit	\$12,500
Office of the CAO (3.14%)		
Staff Appreciation Events	Employee Engagement	\$9,500
Contingency Budget	Risk of Operating Deficit	\$12,500
Corporate Training and Development	Employee Engagement	\$5,000
Corporate Services (3.74%)		
Fee for paper Tax and Utility Bills (Revenue)	Level of Service Change	\$50,000
Casual P/T Bylaw Hours	Risk of Operating Deficit	\$21,500
Parking Fines (Revenue)	Risk of Operating Deficit	\$6,000
Archives Projects	Risk of Operating Deficit	\$1,200
Community Services (4.55%)		
Community Grants Program	Level of Service Change	\$55,000
Eliminate Seasonal Community Service Guide	Level of Service Change	\$6,500
Neville St. Utility Costs	Risk of Operating Deficit	\$7,000
WRC Room Rentals (Revenue)	Risk of Operating Deficit	\$3,300
WRC Ice Rentals (Revenue)	Risk of Operating Deficit	\$50,000
WRC Aquatic Rentals/Admissions (Revenue)	Risk of Operating Deficit	\$25,000
Reduce Park Seasonal	Level of Service Change	\$26,000
Fire Services (1.94%)		
Training Budget	Level of Service	\$15,045
Emergency Call Out	Risk of Operating Deficit	\$8,560
Clothing/Personal Protection Equipment	Risk of Operating Deficit	\$3,625
Equipment Repairs and Maintenance	Risk of Operating Deficit	\$2,165
Minor Capital Replacement	Risk of Operating Deficit	\$2,295
Vehicle Repairs and Maintenance	Risk of Operating Deficit	\$1,835
Infrastructure Services (2.05%)		
Increase Millage	Risk of Operating Deficit	\$(4,500)
Engineering Summer Student Hours	Level of Service Change	\$5,000

Department & Item	Impact	Reduction
Engineering Contracted Services	Level of Service Change	\$10,000
Development Engineering Revenue	Risk of Operating Deficit	\$15,000
Boundary Road Maintenance	Level of Service Change	\$10,000
Municipal Drain Revenue	Risk of Operating Deficit	\$20,000
Development Services (22.32%)		
Economic Development Marketing	Level of Service Change	\$20,000
Economic Development Supplies	Level of Service Change	\$5,000
Economic Development Minor Capital	Level of Service Change	\$2,500

The total amount of items identified is \$407,527, which is equal to a 3.50% tax levy reduction. For these items to be included in the budget a Councillor will need to propose an amendment to include the reduction.

Staff made every effort to achieve the target of 5%, however given the limited time and the scale of the ask, it was not achievable. In preparation of the 2026 budget staff will undertake a further exercise to review all current budget items and provide Council with a more complete analysis. This analysis will aim to align the current operating budget with expected service levels, improving the ability of Council to make informed decisions when deciding which services to invest in.