

**TOWNSHIP OF ESSA
SPECIAL MEETING – BUDGET AGENDA**

**WEDNESDAY, February 20, 2019
2:30 P.M.**

1. OPENING OF MEETING BY THE MAYOR

2. DISCLOSURE OF PECUNIARY INTEREST

STAFF REPORTS AND MEMORANDUMS

3. PUBLIC WORKS

- p. 1 **(a) Staff Report PW006-19 submitted by the Manager of Public Works, re:
2005 Gradall XL4300**

Recommendation: That Staff Report PW006-19 be received; and
That Council **does / does not** authorize the Manager of Public Works to purchase
a new 2018 Gradall XL4300 at a cost of \$435,000.00 (plus tax); and
That Council **does / does not** authorize the Manager of Public Works to enter into a
“Rent - to - Own” Program with AMACO for 2019, at a monthly cost of \$17,500.00
for a total of \$175,000.00 in 2019; and
That \$85,000 be placed in the capital equipment reserve account to fund the final
purchase amount in 2020.

4. TREASURY

- p. 8 **(a) Staff Report TR003-19 submitted by the Manager of Finance, re:
2019 Draft Budget**

Recommendation: That Staff Report TR003-19 be received; and
That Council approve the 2019 Budget in the amount of \$_____ with a levy of
\$_____ which includes _____% allocated to an Asset Management
Reserve; and
That a tax rating by-law be prepared for the consideration of Council.

5. ADJOURNMENT

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



TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: PW006-19

DATE: February 20, 2019

TO: Committee of the Whole/Budget Agenda

FROM: Dan Perreault, C.E.T., Manager of Public Works

SUBJECT: 2005 Gradall XL4300

RECOMMENDATION

That Staff Report PW006-19 be received, and

That the Manager of Public Works be authorized to purchase a new 2018 Gradall XL4300 at a cost of \$435,000 (plus tax); and

That the Township enter into a “rent to own” program with AMACO for 2019, at a monthly cost of \$17,500, for a total of \$175,000 in 2019 and that \$85,000 be placed into the capital equipment reserve account to go toward the final purchase amount in 2020.

BACKGROUND

As reported to Council on February 6th, the Township’s 2005 Gradall XL4300 is in need of major repairs in the estimated amount of \$33,200 (plus tax). For the past two years (2017 & 2018) the cost to maintain this piece of equipment has increased drastically and with the Gradall approaching 10,000 hours, it could be expected that other major components may require major repairs, i.e. engine repairs.

COMMENTS AND CONSIDERATIONS

Staff have investigated several options with AMACO (sole dealer in Canada for Gradall equipment) for Council’s consideration and are summarized below;

1. Repair the 2005 Gradall XL4300 in the estimated amount of \$33,200 (plus tax) - realizing that the Gradall is approaching 10,000 hours and that other major repairs are likely required in 2019 and in the coming years.
2. Hire a contractor to provide Gradall services to perform ditching on a seasonal basis, for an estimated cost of \$150 per hour. Staff estimate that the Gradall would be available for 4-5 weeks (\$60,000) – this will limit the amount of work that we can do with the Gradall. Work would have to be scheduled weeks in advance and we would have to follow the contractors timing. Odd jobs that we currently do would have to be delayed and we could not perform brushing work that is done in the Spring/Fall.
3. Purchase a new 2019 Gradall XL4300 for a cost of \$465,000 (plus tax) – new machine not built yet, there would be approximately 180 day wait for this machine, would not get this machine for the 2019 summer maintenance season.
4. Purchase a new 2019 Gradall XL3300 for a cost of \$427,500 (plus tax) – new machine not built yet, smaller machine that would have some reach and capacity issues, same as



above, there would be approximately 180 day wait for this machine, we would not get this machine for the 2019 summer maintenance season.

5. Purchase a new 2019 Gradall XL3100 for a cost of \$444,000 (plus tax) – new machine not built yet, smaller truck mounted machine that would not be able to get into some of the construction areas we currently do with the XL4300. This machine too would have some reach and capacity issues, same as above, there would be approximately 180 day wait for this machine, would not get this machine for the 2019 summer maintenance season.
6. Purchase a new 2018 Gradall XL4300 for a cost of \$435,000 (plus tax) – new machine that has been built and is at a dealer in the United States, same warranty as new machine, delivery would be much quicker and we would have this machine for the 2019 summer maintenance season.

AMACO has advised that our 2005 Gradall would have a value of approximately \$25,000 as it is today without the repairs being done. The value would increase to approximately \$50,000 if the repairs were completed.

FINANCIAL IMPACT

AMACO could provide a “rent to own” option for 2019, this would allow for the cost of the machine to be spread over two years (2019 & 2020). For 2019 there would be a monthly cost of \$17,500, for a total of \$175,000. The remainder of the purchase would be due once the budget is passed in 2020, \$255,000.

There are currently no funds available in the capital equipment reserve account. Council may consider deferring the purchase of the proposed plow truck in the 2019 budget (\$260,000), to 2020 in order to offset the cost of the purchase of a Gradall in 2019/2020 and if Council does choose the “rent to own” option we could place the difference of the budgeted \$260,000 less the “rent to own” cost of \$175,000 in a reserve account for 2020 (\$85,000).

SUMMARY/OPTIONS

Council may:

1. Take no further action.
2. Authorize the Manager of Public Works to purchase a new 2018 Gradall XL4300 at a cost of \$435,000 (plus tax) and enter into a “rent to own” program with AMACO for 2019, at a monthly cost of \$17,500 and that \$85,000 be placed into the capital equipment reserve account.
3. Authorize the purchase a new 2019 Gradall XL4300 for a cost of \$465,000 (plus tax)
4. Authorize the repair the 2005 Gradall XL4300 in the estimated amount of \$33,200 (plus tax).
5. Hire a contractor to provide Gradall services to perform ditching on a seasonal basis for 2019.

CONCLUSION

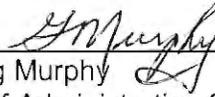
Staff Recommends that Option 2 be approved.

Respectfully submitted,



Dan Perreault, C.E.T.
Manager of Public Works

Reviewed by,



Greg Murphy
Chief Administrative Officer

Attachments:

1. New Gradall Estimates

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ATTACHMENT NO.1



Amaco Equipment

5804 Datsun Road • Mississauga, ON L4W 1H2
(905) 670-3440 • Fax: (905) 670-3446
www.amacocei.com

Ship To: SAME AS BELOW

Branch 01 - AMACO		
Date 02/11/2019	Time 18:02:59 (O)	Page 1
Account No. ESSA0001	Phone No. 7054249917	Quote No. A00870
Ship Via SALE		
JEFF MACDONALD		Quoted By JMA / SS2

Quote To: TOWNSHIP OF ESSA
PUBLIC WORKS DEPT
5786 SIMCOE COUNTY RD 21
UTOPIA ON L0M 1T0

Attention: DAN PERREAULT, CET

EQUIPMENT QUOTATION

Description ** Q U O T E ** EXPIRY DATE: 03/02/2019 Amount

~~New GRADALL 2019 XL4300 V ON/OFF PAVEMENT WHEELED EXCAVATOR 465000.00~~

POWERED BY 173 HP VOLVO TAD571 VE TIER 4F 5.71 L DIESEL;
OPERATING WEIGHT APPROXIMATELY 43,581 POUNDS; MAXIMUM
RADIUS AT GROUNDLINE 30'-4"; MAXIMUM LIFT CAPACITY 12,540
POUNDS; MAXIMUM LOAD HEIGHT 17' 06"; SWING CLEARANCE 8'-0";
BOOM FORCE 22,075 POUNDS; BUCKET FORCE 25,405 POUNDS; TRAVEL
WIDTH 9' -1"

****INCLUDING THE FOLLOWING OPTIONS****

- XL4300 V XL4300 V ON/OFF PAVEMENT WHEELED EXCAVATOR
- 80656093 BUCKET 66" DITCHING W/BOLT ON CUTTING EDGE
- 80456002 BUCKET 36" EXCAVATING BUCKET
- 80779046 BLOCK HEATER
- 80795016 BACKFILL BLADE
- 80795015 OUTRIGGER / STABILIZER REAR
- 80705003 AUXILIARY HYDRAULICS WITH SPOOL

Sale # 01 Subtotal: 465000.00
ON HST: 60450.00
TOTAL: 525450.00

~~New GRADALL 2019 XL3300V ON/OFF PAVEMENT WHEELED EXCAVATOR, 427500.00~~

AS FOLLOWS:

****INCLUDING THE FOLLOWING OPTIONS****

- . BUCKET 60" DITCHING W/BOLT ON CUTTING EDGE
- . BUCKET 36" EXCAVATING BUCKET
- . BLOCK HEATER
- . BACKFILL BLADE

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Amaco Equipment

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Ship To: SAME AS BELOW

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Date 02/11/2019	Time 18:02:59 (O)	Page 2
Account No. ESSA0001	Phone No. 7054249917	Quote No. A00870
Ship Via SALE		
JEFF MACDONALD		Quoted By JMA / SS2

Quote To: TOWNSHIP OF ESSA
PUBLIC WORKS DEPT
5786 SIMCOE COUNTY RD 21
UTOPIA ON LOM 1T0

Attention: DAN PERREAU, CET

EQUIPMENT QUOTATION

Description ** Q U O T E ** EXPIRY DATE: 03/02/2019 Amount

- . OUTRIGGER / STABILIZER REAR
- . AUXILIARY HYDRAULICS WITH SPOOL

Sale # 02 Subtotal: 427500.00
ON HST: 55575.00
TOTAL: 483075.00

~~New GRADALL 2019 XL3100 V 4 x 2 HIGHWAY SPEED WHEELED EXCAVATOR, AS FOLLOWS: 444000.00~~

****INCLUDING THE FOLLOWING OPTIONS****

- . 4 x 2 DRIVE (STD)
- . BUCKET 60" DITCHING W/BOLT ON CUTTING EDGE
- . BUCKET 35" EXCAVATING BUCKET
- . BLOCK HEATER
- . AUXILIARY HYDRAULICS WITH SPOOL

*** THE FOLLOWING OPTIONS ARE AVAILABLE AT EXTRA COST***
XL3100_V_4X4 DRIVE VERSUS 4X2.....\$ 36,000 CDN PLUS TAX

Sale # 03 Subtotal: 444000.00
ON HST: 57720.00
TOTAL: 501720.00

~~New GRADALL 2018 XL4300 V ON/OFF PAVEMENT WHEELED EXCAVATOR, SERIAL NUMBER 4300000137, AS FOLLOWS: 435000.00~~

POWERED BY 173 HP VOLVO TAD571 VE TIER 4F 5.71 L DIESEL;
OPERATING WEIGHT APPROXIMATELY 43,581 POUNDS; MAXIMUM
RADIUS AT GROUNDLINE 30'-4"; MAXIMUM LIFT CAPACITY 12,540
POUNDS; MAXIMUM LOAD HEIGHT 17' 06"; SWING CLEARANCE 8'-0";

30



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5786 SIMCOE COUNTY RD 21
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Attention: DAN PERREAULT, CET

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Ship Via SALE		
JEFF MACDONALD		Quoted By JMA / SS2

EQUIPMENT QUOTATION

Description ** Q U O T E ** EXPIRY DATE: 03/02/2019 Amount

BOOM FORCE 22,075 POUNDS; BUCKET FORCE 25,405 POUNDS; TRAVEL WIDTH 9' -1"

****INCLUDING THE FOLLOWING OPTIONS****

- XL4300 V XL4300 V ON/OFF PAVEMENT WHEELED EXCAVATOR
- 80656093 BUCKET 66" DITCHING W/BOLT ON CUTTING EDGE
- 80779046 BLOCK HEATER
- 80795016 BACKFILL BLADE
- 80795015 OUTRIGGER / STABILIZER REAR
- 80705003 AUXILIARY HYDRAULICS WITH SPOOL

***** THIS IS FIRST COME, FIRST SERVE, AND AVAILABILITY IS SUBJECT TO PRIOR SALE *****

Sale # 04 Subtotal:	435000.00
ON HST:	56550.00
TOTAL:	491550.00

Subtotal:	1771500.00
ON HST:	230295.00

Authorization: _____

Quote Total: 2001795.00

WE THANK YOU FOR YOUR INTEREST IN AMACO EQUIPMENT AND OUR PRODUCTS.
AMACO IS HERE TO SUPPORT YOUR EQUIPMENT INVESTMENT.
ARE YOU INTERESTED IN A PREVENTATIVE MAINTENANCE PROGRAM?
CALL US TODAY FOR A FACTORY TRAINED AND CERTIFIED PROGRAM.

ALL PRICES QUOTED ARE IN CANADIAN FUNDS, CALCULATED AT AN EXCHANGE RATE OF 1.33 BETWEEN USD AND CDN DOLLARS, ALL TAXES EXTRA, AND SUBJECT TO CHANGE WITHOUT NOTICE.

TERMS: NET DUE ON DELIVERY

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5786 SIMCOE COUNTY RD 21
UTOPIA ON L0M 1T0

Attention: DAN PERREULT, CET

EQUIPMENT QUOTATION

Description ** Q U O T E ** EXPIRY DATE: 03/02/2019 Amount

DELIVERY: TO BE ADVISED

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TOWNSHIP OF ESSA STAFF REPORT

STAFF REPORT NO.: TR003-2019
DATE: February 20, 2019
TO: Committee of the Whole
FROM: Carol Traynor, Manager of Finance
SUBJECT: 2019 Draft Budget

RECOMMENDATION

That Staff Report TR003-2019 be received; and

That Council consider approval of the 2019 budget of \$_____ with a levy of \$_____ which includes _____% allocated to an Asset Management Reserve; and

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

BACKGROUND

Council reviewed the draft budget on January 16th, 2019 and February 6th 2019. During those budget discussions Council had requested a breakdown of the budget items from the February 6th memorandum outlining which fall under Asset Management (spreadsheet is attached).

The following are the increases from other municipalities in the County:

- Oro-Medonte – 6.93% of which 4% directed to Infrastructure Reserve.
- Orillia – 3.25% includes 2.15% for infrastructure reserve contribution.
- New Tecumseth – 2.66%
- Barrie – 2.88%
- Severn – 6.78% (1.02% Municipal operating levy, 5.76 capital infrastructure levy)

COMMENTS AND CONSIDERATIONS

The 2019 budget represents an increase of 2.5% which equals approximately \$10.00 on an average taxpayer with an assessment of \$360,128.

If Council wishes to contribute to an Asset Management fund the following would represent the increase:

- Add 1% for Asset Management = \$18.22 increase to the average taxpayer.
- Add 2% for Asset Management = \$26.17 increase to the average taxpayer.
- Add 3% for Asset Management = \$34.12 increase to the average taxpayer.

Simcoe County residential tax increase is 2.00%.

School Board tax rates have not been announced yet. In past years the residential education tax rate has been revenue neutral. The education tax rate announcement is expected in the near future.

SUMMARY/OPTIONS

Council may:

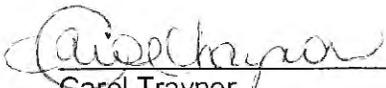
1. Take no further action.
2. Approve the 2019 budget of \$11,497,615 with a levy of \$6,693,041; and That a tax rating by-law be prepared for the consideration of Council.
3. Approve the 2019 budget with a levy of \$11,561,115 with a levy of \$6,756,541 which includes 1% allocated to an Asset Management Reserve; and That a tax rating by-law be prepared for the consideration of Council.
4. Approve the 2019 budget with a levy of \$11,624,615 with a levy of \$6,820,041 which includes 2% allocated to an Asset Management Reserve; and That a tax rating by-law be prepared for the consideration of Council.
5. Approve the 2019 budget with a levy of \$11,688,115 with a levy of \$6,883,541 which includes 3% allocated to an Asset Management Reserve; and That a tax rating by-law be prepared for the consideration of Council.
6. Direct the Manager of Finance as Council deems appropriate.

CONCLUSION:

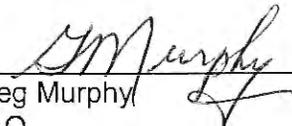
Option 5 is recommended.

Respectfully submitted:

Reviewed by:



Carol Traynor
Manager of Finance



Greg Murphy
CAO

Attachment: Asset Management spreadsheet

<u>Budget item</u>	<u>Asset Management</u>	<u>Budget Amount</u>	<u>Funding</u>
Full time Executive Assistant	No	\$28,262	Taxation
PPE - 12 sets	Yes	36,000	Taxation
Vehicle replacement (T4)	Yes	400,000	Taxation
Communication - Linking sites	Yes	40,000	Taxation
Hose & Nozzles	Yes	14,000	Taxation
Rescue equipment	Yes	6,500	Taxation
Replacement (Utility 1)	Yes	85,000	Taxation
Resurface Station 1/Library Parking lot	Yes	9,000	Taxation
Baxter Ball Diamond Building	Yes	22,000	Taxation
Playground Equipment	Yes	50,000	90% DC's (45,000) 10% Taxation (5,000)
New Baxter Subdivision Park	Yes	850,000	90% DC's (765,000) 10% Taxation (85,000)
Thornton Arena roof	Yes	262,500	Taxation
Safety Mesh (ice surface)	Yes	8,500	Taxation
Laser for Olympia	Yes	16,800	Taxation
Full Time Administrative Assistant	No	24,050	Taxation
6th Line - 25th Sideroad to Dead end	Yes	75,000	Taxation
King Street urbanization	Yes	1,668,870	80%DC (1,335,096) Gas Tax (333,774)
1 Ton Truck	Yes	75,000	Taxation
5th Line repair	Yes	100,000	Gas Tax
Slurry Seal	Yes	288,000	Taxation
Traffic Calming	Yes	20,000	50% DC (10,000) 50% Taxation (10,000)
Sidewalk Install & Repair	Yes	30,000	Taxation
Margaret St Urbanization	Yes	146,900	80% DC (117,500) Gas Tax (29,400)
Vehicle replacement (Plow & Sander)	Yes	260,000	Taxation
Upgrade locker room/storage room	Yes	50,000	Taxation
Repair overhead chain hoist	Yes	20,000	Taxation
Sidewalk machine 5-way blade	Yes	7,500	Taxation
Full time seasonal positions (2)	No	50,000	Taxation
Insulate & heat sand shed building garage bays	Yes	60,000	Taxation
Total budget items		\$4,703,882	
Total Asset Management items		\$4,601,570	
Total Taxation		\$1,968,112	
Total DC's		\$2,272,596	
Total Gas Tax		\$463,174	

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