



## **COMMUNICATION ON SHARED SERVICES; ARENA AND FIRE 2023 BUDGETS**

The Township of Machar is challenged with significant increases proposed for the Arena and Fire shared services in 2023. The 1<sup>st</sup> Drafts provided by South River proposed an increase of \$144,228.06 combined, over what the Township budgeted in 2022. This figure represents an increase of 5.6% to our taxpayers for those 2 services, alone. The 3<sup>rd</sup> drafts propose an increase of \$107,757.23 combined for Machar. The 3<sup>rd</sup> drafts propose an increase of \$93,245 for South River, totaling \$201,002.23 together.

Township Council representatives have observed 2 South River Committee of the Whole meetings where these budgets were discussed, even though the meetings are not included in the new Shared Services Agreement. The 1<sup>st</sup> meeting was held on Jan 25, 2023 and the end of the minutes reflect “Discussion ensued that both budgets were first drafts and were to be refined and updated for the Feb 15<sup>th</sup> Budget meeting.” The 2<sup>nd</sup> meeting was held on Feb 15, 2023 with discussions at length.

The only change to the budgets from Draft 1 to Draft 2 reduced the Arena Capital line from \$200,000 to \$145,000. This reduction lowered the proposed increase to \$116,728.23 combined, over what the Township budgeted in 2022 and represents an increase of 4.5% to our taxpayers for these 2 services, alone. The Township also has other increases to consider. Budget increases are anticipated for the South River Machar Library. The District of Parry Sound Social Services Administration Board has advised they’re working on the 2023 Budget and an increase should be expected. There are still many other Budgets to come in. Our own departments have come in at 1.98% and 1.67% for 2023.

The main issue in Fire is the wages to expand the Fire Prevention Officer to 3 days per week from the current 1 day. South River has scenarios with 2, 4 or 5 days but used 3 days as a place holder. Fire Chief Maki has indicated he feels the workload and enhanced response time would justify the position to 5 days per week. The Township supports and commends the great work of our Volunteer Fire Dept. The proposed increase to South River and Machar for Fire was \$31,779 over the final 2022 Budget which together was an increase of \$63,558 for 2023. The municipal share for Fire has increased from \$126,340 in 2017 to \$191,105 in 2022, an increase of \$64,765 each for South River and Machar over those 5 years. The proposed municipal share for Fire for 2023 is now \$215,913 each (an increase of 13% each).

We know the Arena now needs infrastructure upgrades. The Township appreciates and has supported South River’s application to NOHFC for a \$1.2 m project; eligible costs are a new Condenser, new Dehumidifier, new Chiller and Brine Pump, and Ice Pad replacement. This will require a municipal project share of \$300,000 each if the project application is successful. This is additional to the \$100,000 we provided in 2021 for the backup generators and update to the Arena kitchen. Our municipal share for Arena has increased from \$72,701 in 2017 to \$116,702 for 2022, an increase of \$44,001 for Machar. The proposed municipal share for Arena for Machar in 2023 is \$173,856 (an increase of 49%). We support both services. There have been several equipment upgrades for Fire in recent years.

The proposed cost for these 2 services in Draft 2 to Machar was \$398,740 in 2023 which represents a 4.5% tax impact. The proposed cost for these 2 services in Draft 3 to Machar is \$389,769. The proposed cost for these 2 services has been reduced \$8,971 from Draft 2 to Draft 3 (Arena -\$2,000 and Fire -\$6,971). This adjusts the tax impact from 4.5% to 4.2% to our taxpayers from Draft 2 to Draft 3. We believe the tax impact at 4.2% to our taxpayers for just these 2 services is too much. We still have several other Budgets and increases to consider, which will be added on top of the 4.2% tax impact (meaning if Arena and Fire stay the same as proposed in Draft 3, the 4.2% tax impact is the starting point and the final tax impact will end up higher once all of the other increases are factored in).

We've just received the 2023 levy amounts from the District of Parry Sound Social Services Administration Board which is up 2.6%, Eastholme Home for the Aged which is up 3.3%. and Ambulance Emergency Medical Services which is up 6.3%. We're mandated to pay these levies and these increases also get passed down to our taxpayers. We continue to encourage South River and the Departments for Arena and Fire to refine the Shared Services 2023 budgets. The Township feels an increase to the Fire Prevention Officer position unfortunately isn't possible at this time. We'd appreciate input from our taxpayers. Please feel free to share your views with Council. The Township continues to work in your best interest to provide the best quality services within the most affordable tax rate.

Feb 28, 2023