

VILLAGE OF HILTON BEACH
Draft Activity Plan

ACTIVITY/PROJECT	PURPOSE	TIME FRAME/FINANCIAL IMPACT
Completion of the Marina Expansion	Increase the revenue base to the municipality directly as well as lead to stabilization and expansion of existing businesses and attraction of new businesses	Completion in 2005. Benefits are already accruing to the Village with increased marina revenue and two new seasonal businesses. The increased seasonal revenue will repay the Village portion of the project.
Attraction of large marina activities	Increase public and private sector revenue.	2006 – Great Lakes Cruising Club 2007 – another large rendezvous is considering Hilton Beach. Other smaller manufacturers' rendezvous will also be hosted.
Completion of Safe Drinking Water Act upgrades	To meet the requirements of the Act and regulations.	Mid 2006. Upgrades to be funded under OSTAR with the municipal share by owners of property serviced by the system.
Sale of Forest St. (Mariners' Way) serviced lots	Revenue to be used to repay the development loan, to fund a portion of the operating deficit and to establish reserves.	Three lots to be sold in 2005 Remaining two lots to be sold in 2006
Application to the Ministry of Municipal Affairs Special Assistance Grant in the amount of \$155,232.	To recover the estimated shortfall of CRF funding for the years 1998 to 2004.	The application has been submitted. The response is anticipated in the fall of 2005. Funds will be applied towards the operating deficit.
Renovation of the lower level of The	The lower level to be renovated to include	Funding is available under the current

Waterfront Centre for mariners' area.	washrooms, showers, laundromat and comfort area for boaters.	NOHFC contract. Work to be done in the fall, 2005.
Renegotiation of the landfill agreement with the Township of Hilton	The current agreement is outdated and includes a 50 – 50 split of operating costs. It is estimated that more material is put into the site by ratepayers of the Township and the costs of providing the site are not included, just the actual operating costs of equipment and labour.	The agreement to be renegotiated for the 2006 operating season. There may be a change in the methodology and possibly it will not be a split of the operating costs but a fee for service type arrangement.
Divestiture of Federally owned marina property by DFO to municipality	Currently the municipality pays a percentage of revenue to the Federal Government. The DFO is divesting their small craft marinas and the Village will pursue this. Any needed work would be done by DFO prior to the Village assuming ownership of the facility.	The current lease expires in May, 2006. Possibly divestiture can be completed by that time or a shorter lease negotiated. The annual payment would no longer be required.
Investigate the option of obtaining a licence under the Aggregate Resources Act to sell the gravel at the 110 acre landfill site.	The landfill site is on the same gravel ridge as three other producing pits. This resource could be quarried for the benefit of all ratepayers. There would not be a negative impact on the landfill operation.	Investigation and initiation of the process initiated in the fall of 2005. There are only two homes in the general area and both are closer to another pit than they would be to this one. If the project is pursued the regulatory approval process would be followed including public notification.
New housing starts.	There are two homes in 2005 and one is already planned for 2006. In addition it is expected that there will be new homes constructed in the Mariners' Way (Forest St.) development in 2006. There is plenty of capacity in both the	Having two new housing starts in a year is expected to be the norm not the exception in future years. This will help to stabilize the tax rate and water and sewer user rates.

	sewer and water systems for this additional development.	
Addition to The Waterfront Centre for new municipal office on one level and commercial rental space on the lower level.	Since the renovation of the old building on site in 1991 it was always planned to construct an addition for a municipal office. The current space is too small for two persons and the workload has increased beyond the ability of one person to complete even the necessary tasks let alone the ones that would be beneficial to the community. There is an increased demand for rental space since the expansion of the marina.	Plans developed in 2006 for 2007 or future construction. Rental revenue will be applied to the cost of construction. Cost sharing programs that would fund the majority of this project will be sought.
Hiring a person to be deputy clerk treasurer and to assist with special events.	Once the new office is constructed a person can be hired to do some of the work and provide a presence in the office when the Clerk is away on holidays or work.	Work will be done in a more timely manner and the office will not have to be closed when the Clerk is not available.
Continued beautification program including historical signage.	To make the community an attractive place to live and to visit.	This is an ongoing project over several years. It is low cost but very visible and beneficial.
Deficit elimination	To repay the existing deficit.	This is the priority. Any additional funds that are acquired will first be used for this purpose whether it is the sale of the Forest St. lots or the recouping of the underpayment under the CRF program.
Debt reduction	To reduce the debt load of the municipality.	Marina expansion: Through additional marina revenue. The additional seasonal

		revenue alone is sufficient for this so the additional net operating revenue will be available to be put into a reserve. Forest St.: Through sale of the first lots. Existing debt: From lot sales and/or other revenue.
Creation of reserves	To create reserves for future needs. The lack of a Reserve for Working Funds has significantly impeded the municipality and has created additional operating costs because of borrowing costs. This at a time when the funders for the capital projects have been quite late with the payment of claims causing cashflow issues.	Marina: A reserve will be established for the marina with the additional operating revenue. The stable amount will still be applied to the general operations but additional will be allocated to this reserve. Working Funds: This is a priority and will be the first use of any excess funds after the repayment of the deficit.
Stabilization of the Tax Rate	While the tax rate for the Village is in the same range as other small municipalities providing the “urban” services it is higher than the others on the Island. The impact of the wild swings due to MPAC errors and then readjustments has been massive. It is Council’s desire to stabilize the tax rate to the degree possible and use increases to the tax rate when possible to increase reserves and use the reserves when necessary to mitigate large increases to the tax rate as many municipalities have done in 2004 and 2005.	Once the additional costs of borrowing are eliminated from the budget with the creation of a Reserve for Working Funds and the reduction of debt there will be an opportunity for Council to stabilize the tax rate for the municipality.

Stabilization of User Fees

The only user fees that have any real impact on either the users or the budget are those for the marina and those for water and sewer services. The marina fees are reviewed annually giving consideration to both the operating costs of the facility as well as the fees charged by other North Channel marinas. The fees for sewer and water are also reviewed annually. There is a tremendous unused capacity in both systems allowing room for growth without increasing the operating costs.

Council always has maintained competitive marina rates. It is important that no facility in the North Channel tries to increase its revenue by undercutting the other marinas. Municipal marinas must also remain cognizant of the realities of the private sector marinas. The water and sewer rates for the Village are higher than the larger systems and lower than the smaller ones. One of the new homes built this year will be on water and the home that is already planned for next year will be on both. It is anticipated that in addition to the five Forest St. lots at least some of the five lots on the upper side of the street will also connect to the systems in the future. By increasing the number of users, the impact of increased operating costs will be reduced for all in future years.