

AMALGAMATION BULLETIN

Report of the Village and Township of Petawawa Amalgamation Committee

MARCH 1997

A Return to One Petawawa

In 1961, Petawawa Township was split into two municipalities and the Village of Petawawa was formed. The citizens of the day evidently felt that different policies were required to govern what was an urban setting (Village) and what was a rural area (Township).

With time, development has caused a physical blending of the Village back into the Township. Governance policies for one community are, for the most part, appropriate for the other, with some accepted differences for unique features within each municipality.

In 1993, the provincial government began reducing transfer payments of provincial income tax dollars to municipalities, first under the "Social Contract", and then under the Deficit Reduction Plan. At the same time, the province indicated to the municipalities that raising of property taxes to cover shortages in operating funds was "not an option." The Township and the Village responded by reducing expenditures and by increased revenues from increased development.

In 1993, councillors of Petawawa Township and Petawawa Village began informal discussions to explore the option of amalgamating the municipalities as a way of retaining services while further reducing expenditures. It was decided that the idea had sufficient merit to be pursued, and at a joint Council meeting held July 22, 1994, it was decided to form a joint committee to enter into preliminary discussions on amalgamation. The present deliberations are being conducted through this joint committee.

REASONS FOR AMALGAMATION STUDY

Local Pressures

- two municipalities growing together physically
- joint planning and infrastructure desirable
- desire for economic development and ability to pursue economic development

Provincial Pressures

- policies on less government
- value for dollar
- local fiscal independence
- effective representation system
- job creation and economic growth

The main implications of new provincial government policy and laws are that provincial grants will be reduced and eventually eliminated completely by 1998.

Committee

The Petawawa Amalgamation Committee is made up of members of the councils of the Village and Township of Petawawa.

Committee Members

Public Works

Randy Mohns - Chair
Brian Mohns
Bob De Wolfe
Bill Ramsey

General Administration

Ed Chow - Chair
Dennis Carmody
Bob De Wolfe
Brian Mohns

Fire

Bob Sweet - Chair
Dennis Carmody
Ernest Lafrance
Ken Pleadwell

Finance

Todd Clouthier - Chair
Randy Mohns
Bob Sweet
Ed Chow

The purpose of the Amalgamation Committee is to develop a proposal for the amalgamation of the Village of Petawawa and the Township of Petawawa which will be presented to the councils of both municipalities.

NEXT PUBLIC MEETING

DATE: WEDNESDAY, MARCH 19, 1997
TIME: 6:00 P.M. - OPEN HOUSE
7:00 P.M. - MEETING AND PRESENTATIONS
PLACE: PETAWAWA CIVIC CENTRE

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Summary of Preferred Options

Although many options were studied, each of the sub-committees has developed a "Preferred Option", and each option has been approved by the Amalgamation Committee as a whole. Following are the preferred options:

GENERAL ADMINISTRATION

The General Administration Sub-committee favours the option of amalgamation of the two municipalities. Under this option, the amalgamated council and support administrative functions would operate from the village council location at 30 Victoria Street. The municipal office would require some renovation to accommodate this move. The municipality would function as a 'township' under the Ontario Municipal Act with a Mayor, Deputy Mayor and 5 councillors.

PUBLIC WORKS

The Public Works Sub-Committee prefers the option of amalgamating services. In this option, Public Works would operate out of the Township building, the Village Public Works buildings would be moved to the Township site, and the land in the Village rezoned residential and sold.

FIRE

Both existing Fire Stations remain but neither station is reduced in size for the immediate future. Training will be relocated to one Fire Station. Both these issues will be deferred until a new Fire Chief and Municipal Council take over. After a transition period and an assessment of hall facilities decisions on station size and main training location will be made. A decision on the administrative headquarters for the amalgamated Fire Departments will also be made with recommendations by the new Fire Chief and amalgamated Municipal Council. Vehicle Extraction response for the combined municipalities will follow the same response mechanisms as present.

FINANCE

The Amalgamation Committee decided, based on their discussions and the input received at public meetings to date, that it was necessary to provide a financial picture of the current status quo for the Village and Township compared to the projected or combined entity. Accordingly, they asked Welch & Company, who are the auditors for the Township and Village, to prepare financial projections based on amalgamated operations of the two municipalities. See Report of Welch & Company, Pages 7 - 8.

One Plan for the future

From a planning standpoint, it makes sense to go forward as one municipality.

As the largest community in the county, a new municipality of Petawawa would be more appealing to commercial and industrial businesses; A larger municipality could more easily finance infrastructure expansion and make it easier to attract industry than a smaller community; a combined municipality would mean the Village and Township would not be competing for the same development.

The future development of the Village is limited because it is nearly fully developed to its borders. Any additional development will have to include lands now in the Township, through agreements or boundary re-alignment. A Municipal Growth Study conducted in 1994 has identified that the proper planning for future development of Petawawa should include one Official Plan which would address future growth in a comprehensive fashion.

An Official Plan would have the goal of attracting business, concentrating housing, protecting the resource base and encouraging a more compact use of land that would be more economically serviced. An Official Plan would promote a land use pattern that takes advantage of both municipalities' investments in infrastructure, especially the water and sewer works. Such development is contingent on the municipality having a large enough tax base to supply the amenities where required to encourage development, both in commercial/industrial areas and in residential areas. A combined Petawawa would provide a single municipal body to administer and finance the future development of the Petawawa area as set out in an Official Plan. A combined Petawawa would enter the 21st century as a much stronger community with greater opportunities for its residents to prosper in business and to enjoy a very desirable lifestyle.

General Administration

Preferred Option

The General Administration Sub-committee favours the option of amalgamation of the two municipalities.

Under this option, the amalgamated council and support administrative functions would operate from the village council location at 30 Victoria Street. The municipal office would require some renovation to accommodate this move. The municipality would function as a 'township' under the Ontario Municipal Act with a Mayor, Deputy Mayor and 5 councillors.

The new municipality would be administered by a Chief Administrative Officer/Clerk, Treasurer with a financial clerk, a taxation clerk, 2 clerk/receptionists and a social services administrator.

Options Reviewed

1.

The Status Quo

Maintain operations as they are now.

2.

We Amalgamate

Combine administration of the Petawawas under one roof.

3.

Shared Services

Increased co-operation in sharing services was discussed and discarded.

While joint programs may work well in certain aspects of service delivery, such as recreation, culture, some infrastructure maintenance such as roads maintenance, and conceivably even fire protection, this process cannot be extended into the administration sector. Municipal governance, and the administration of that governance, cannot be a shared project because if there are two governing bodies, each governing body will have different policies, procedures and regulations to administer.

Preferred Option- Discussion

The operation of two separate municipal operations results in costs to the taxpayer which are avoidable. These excess costs result from duplication of certain facilities and functions, and not being able to use economies of scale which are available to a larger operation. It is recognised that bigger does not necessarily mean less expensive, and this will be borne out in some aspects of the operation. However, as this proposal will show, by amalgamating the two Petawawa's into one municipal corporation, the cost of operation can be reduced by approximately \$ 8.00 per citizen per year, for administration alone. (Approximately \$116,381.00) It is expected that savings will also be demonstrated in other aspects of the operation of the two municipalities.

These savings do not necessarily mean a property tax reduction, as they may be required to help pay for other costs which are being passed down from the provincial government in the form of policing charges, rumoured school building financing, maintenance of provincial highways, etc. While it is not known at this time what these extra expenses will be, we are assured that they will be passed on to local municipalities. If we do not make these savings we will be forced to raise taxes in the future to meet the financial demands.

Township / Village Budget Comparison

EXPENSES	Township	Village	Total	Proposed	Saving
Elected Officials	\$ 67,329.00	\$ 65,995.00	\$133,324.00	\$ 95,273.00	\$ 38,051.00
General Admin.					
Salaries	\$128,500.00	\$145,000.00	\$273,500.00	\$256,500.00	\$ 17,000.00
Admin. Expenses	\$174,816.00	\$186,190.00	\$361,006.00	\$299,676.00	\$ 61,330.00
TOTAL General Government	\$370,645.00	\$397,185.00	\$767,830.00	\$651,449.00	\$116,381.00

Impacts

FINANCIAL IMPACT

The implementation of this option would entail an initial outlay of funds to consolidate services, but a long term savings for the amalgamated department. Financial implications include:

• Building Requirements

Council Chambers, Board Room, Mayor's office, CAO's Office, Treasurer's Office, Sr. Accounting Clerk's Office, General Office with Service Counter, Welfare Office with waiting room, Chief Building Official's Office, Lunchroom/Lounge, Photocopy nook. It is recommended that the municipal office would be at 30 Victoria St. Renovations would have to be undertaken to provide the above office requirements.

Estimated renovations: \$ 50,000.00.

• Computer Systems:

Use existing Village tax/ accounting program, additional hardware from Township, expand memory and minor programming.

Estimated one-time cost: \$20,000.00

• Telephone System:

Adequate lines exist in Village Office for present uses. May require additional line for internet capability. Use equipment from both existing systems, as they are compatible.

Cost: for internal wiring: est. \$500.00.

• Furniture and Equipment:

There is an adequate supply of office furniture and equipment between existing offices to equip the single enlarged office. However, a filing wall should be built as part of the renovations and the filing cabinetry would have to be procured.

Estimated cost of filing wall cabinets: \$ 10,000.00

The total capital cost for preparing the existing office for an expanded operation is estimated at \$ 85,000.00.

SERVICE IMPACT

Service levels in the administration of the municipality will not deteriorate as a result of amalgamation. One noticeable effect will be that those who live near the present Township Offices will have to travel into the commercial centre in order to carry on their business with the municipal government. The increase in staff, however, will ensure that service is available throughout the business day and will eliminate the problem of having to make repeat visits because of shortage of staff, as is the present case in the Village. Enquiries and requests will be attended to in a timely manner. The proposed organisation therefore provides adequate human resources to provide a better level of service than presently provided.

Access to a Councillor will be equally as easy as it is at present. Although there will be three fewer council members, the seven remaining members of council will still be representing the same geographic area, and each one is as close as your phone.

There are a few potential disadvantages to combining the administrations. These include:

Petawawa may end up with reduced voting power at County Council. Presently, each Petawawa has the maximum 4 votes based on population. A combined Petawawa would still only qualify for the maximum 4 votes under the current system. This system is under review by the County Municipal Governance Committee and it is not known at this time what changes are in store.

Employment opportunity will be reduced by one or two positions in future years.

Some employees may have wages temporarily frozen as a result of re-assignment to new positions.

General Administration

Comparison of Status Quo and Combined Petawawas

Criteria	Status QuoTownship	Status QuoVillage	Combined Petawawa	Notes
Population	8430	6116	14546	1994 Statistics
Area	90 sq miles	3 sq miles	90 sq miles	Village is already surrounded by Township
Municipal Status	Township	Village	Petawawa Municipal Corporation	to be known simply as Petawawa but regulated as a "township" under the current Ontario Municipal act.
Council	Reeve Deputy Reeve 3 Councillors	Reeve Deputy Reeve 3 Councillors	Mayor Deputy Mayor (appointed) 5 Councillors	Reduction of three council members.
Elections	All elected at large	All elected at large	All elected at large	Deputy Mayor to be appointed by Council
Municipal Office	680 Highway 17 W. Pembroke	30 Victoria St. Petawawa	30 Victoria St. Petawawa	
NOTES: Present Twp offices to be sold or leased for commercial or community facility use and to be self-supporting. Village building will require modifications to increase office space.				
Staffing	Clerk-Treasurer-Administrator, Deputy Clerk-Treasurer, Accounting clerk, Social Service Administrator, Secretary-receptionist- Tax-Clerk	Clerk-Treasurer, Deputy Clerk-Treasurer, Receptionist-clerk	CAO/Clerk, Treasurer, Finance-Clerk Taxation-Clerk, 2 Clerk-receptionists, Social Service Administrator	Reduction will be achieved through attrition (retirement) after amalgamation workload is complete.
County	Reeve with 4 votes	Reeve with 4 votes	Both Reeves to sit on County Council with current number of votes until Dec 31, 1997. County representation system under review by County Governance Committee Service Levels	

Other Municipal Services

The following municipal services were reviewed by the Amalgamation Committee and it has been determined that there will be little financial impact as a result of amalgamation. Many of these services such as the Civic Centre and the Petawawa Union Library are currently cost shared and jointly owned. Other services are contracts or joint agreements with each other and with other municipalities or agencies.

Some streamlining may result and opportunities may be presented for cost savings but, more importantly, levels of service in some areas may increase.

Services	Current status	Advantages of Amalgamation	Levels of Service Under Amalgamation
Recreation	Civic Centre jointly owned and cost shared. Other parks and services individually owned and funded.	1. Expertise to use in developing municipal parks. 2. Uniform development 3. Streamlining of reporting to one council, and receiving direction from one council. 4. No increase in staffing.	Levels would remain at least the same or improve slightly
Library	Currently jointly owned and cost shared.	1. Streamlining of reporting to one council, and receiving direction from one council. 2. Single source of municipal financial support.	Level remains the same.
Planning	Both municipalities currently use the County of Renfrew planners.	1. Possible savings in doing one official plan as opposed to two. 2. Better planning for future industrial, commercial and residential expansion. 3. Savings from the effects of infrastructure development. i.e. water towers 4. Possible savings in reduced number of meetings planner required to attend.	Level increased in areas of development along existing boundaries.
Animal Control	Separate contracts for each municipality.	1. Separate contracts could be combined into one, making a bigger job, possible savings.	Remains the same.
Airport	Joint agreement with other municipalities.	1. Pay costs based on assessment.	Negotiate contract to retain our combined, weighted vote.
CBO/By-law Enforcement	Existing staff compliment one in each municipality	1. Uniformity in all aspects of enforcement. 2. Would become a specialized job.	Would be combined.
Garbage Collection	Two separate contracts	1. Two contracts would become one for possible savings.	Level remains the same.
Recycling, Landfill, Waste Management	Joint agreement with other municipalities	1. Pay on assessment	Level remains the same.
Economic Development	Local municipal responsibility	1. Larger municipality more appealing to industry and business 2. Easier to finance infrastructure expansion to attract development 3. Not competing for same development.	Definite increase in levels of service.

Public Works

Preferred Option

The Public Works Sub-Committee prefers the option of amalgamating services. In this option, Public Works would operate out of the Township building, the Village Public Works buildings would be moved to the Township site, and the land rezoned residential and sold.

The Public Works Sub-Committee looked at the possibilities of a merged Public Works Department from the point of view of financial implications, the type of organizational structure that could be used, levels of service, and possible cost savings. Public Works includes roads maintenance, water and sewer system maintenance, parks maintenance, roads safety, traffic lights, street lights and sidewalks.

Existing Situation (Status Quo)

At present, the Township operates a municipal garage on 6.4 acres of land on Black Bay Road that also includes a salt shed, storage buildings, sand/salt garage, and site improvements. Total value for this property is estimated at \$251,349. The Township also owns Works equipment and inventory estimated at \$363,300. The annual budget for the Township is currently \$605,000. There are six staff people including a Public Works Superintendent, Lead Hand and four labourer operators.

The Village uses a garage, salt shed and storage garage on five acres of land on Russell Street. Total value for this property is estimated at \$279,829.

The Village also owns Works equipment and inventory estimated at \$210,100. The annual budget for the Village Public Works is currently \$495,000. There are three staff people including a Superintendent and two labourer operators. Part time staff are used as required.

Many Public Works services and equipment are being shared and have been shared for many years by both the Township and the Village in the areas of parks maintenance, road maintenance and snow removal.

Current Assets

Township		Village	
Municipal Garage	\$85,515.00	Municipal Garage	\$100,462.00
Salt Shed	12,015.00	Salt Shed	16,367.00
Storage Buildings	7,319.00	Land- 5 acres (\$10,000/ac)	50,000.00
Sand/Salt Garages	63,700.00	Storage Garage	113,000.00
Storage Sheds	15,000.00		
Site Improvement	3,800.00		
Land- 6.4 acres (\$10,000/ac)	64,000.00	TOTAL	\$279,829.00
TOTAL	\$251,349.00	Inventory & Equipment	210,100.00
Inventory & Equipment	363,300.00	OVERALL TOTAL	\$489,929.00
OVERALL TOTAL	\$614,649.00		

Options Reviewed

A. Amalgamate services, operate out of both Township & Village locations.

The Township location would become the main Public Works building, while the Village location would be used as a sub-station (mainly storage).

B. Amalgamate services, operate out of Township location sell Village land.

Under this scenario, Public Works would operate out of the Township building. The Village buildings would be moved to the Township site, and the land rezoned residential and sold.

C. Amalgamate services, operate out of Township location sell Village land and buildings as is.

Under this scenario, Public Works would operate out of the Township Building. The Village buildings and land would be sold as is.

D. Amalgamate services, operate out of Village location.

This option would see the closing of the Township works site and consolidation and perhaps expansion of the Village site.

Preferred Option - Discussion

The pros and cons of the options were each evaluated in terms of staffing, building locations, equipment requirements, operation and capital budgets, and cost savings or increases.

The committee recommends the adoption of option "B" in which the two departments would be amalgamated, Village Works buildings moved to the Township location, and the remaining 5 acres of land sold.

The advantages of this scenario include:

- all public works would be located in a Township Industrial Park away from residential areas,
- the Industrial Commercial Land which now houses the Village Works Dept. would be removed entirely from a residential area,
- a larger workforce in one central location would provide more flexibility in delegating duties,
- material drop-offs would be in one location only
- greater capital savings could be realized if cost of land development is less than 50%.

Staffing

In addition to this, the recommended staff organization for this option would include a Public Works Superintendent, an Assistant Superintendent, and 6 labourer operators. This is a reduction of one position from the existing situation at a saving of \$35,000 per year, which could be achieved from a projected retirement.

All salaries would be red-circled until job descriptions are scrutinized and the senior positions selected from original staff. A stand-by system would be set up by the Public Works Superintendent which is satisfactory to all staff.

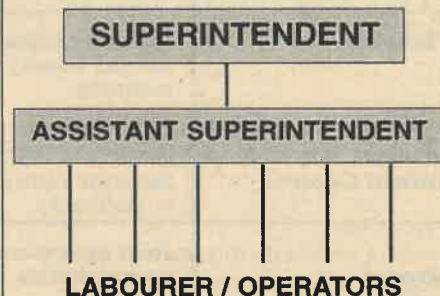
FINANCIAL IMPACT

Under all scenarios, amalgamating the two municipal departments offered general cost savings that came from sharing buildings and services.

OPERATIONAL SAVINGS

Reduced heat & hydro costs	\$ 3,000
Reduced telephone & Comm	\$ 3,500
Possible staff retirements	\$35,000
Village Public Works -capital	\$10,000
less: Salaries adjustment	- \$6,660
TOTAL OPERATIONAL SAVINGS PER YEAR	\$44,840

ORGANIZATION



The preferred scenario would also result in the general cost savings, detailed above, of \$44,840, plus a one-time realization of an estimated \$74,000 from the land sale. This estimated is based on the following:

• Sale of developed land:		• Moving costs for buildings from Village to Township site	
14 lots x \$28,000.00	\$392,000.00		\$ 80,000.00
• Service & development costs		NET CAPITAL SAVINGS	
14 lots x \$17,000.00	\$238,000.00		\$ 74,000.00
CAPITAL PROFIT	\$154,000.00		

SERVICE IMPACT

There would be no change in the level of service offered to the public.

Water & Sewer

Water and sewer services are user pay and do not form part of the mill rate and do not affect taxes.

Village of Petawawa

Water Plant:

The capacity of the water plant is 4.8 million gallons per day. 3.2 million gallons per day is guaranteed to Base Petawawa, leaving a capacity for the Village for a 20 year growth projection of 1.6 million gallons per day. This projection was for the growth in the Village as the boundaries are today.

Sewer Plant:

The sewer plant is being rebuilt and expanded to 1.94 million gallons per day capacity. 1.2 million gallons per day is guaranteed to Base Petawawa, and the expected requirement for the Village is .6 million gallons per day, leaving .14 million gallons per day excess capacity. This excess capacity is owned by the Base and Village, and if either party requires it, the remaining party must be paid out for their equity in the capacity.

Township of Petawawa Water System

The Township of Petawawa water system was installed from 1990 to 1992 at a cost of approximately \$8 million. Water is obtained from the City of Pembroke through a 12 inch truck main. There is a booster pump station at MacGregor's Hill and a 500,000 gallon elevated water tank in the Township Industrial Park behind Hoffman subdivision. There are 27 kilometres of distribution mains and full provision of water hydrants.

The Township of Petawawa has an agreement for the supply of water running until the year 2010. The Township pays 150 % of the rates charged to commercial and industrial customers in the City of Pembroke.

Currently there are 1100 connections to the water system representing a serviced population of about 2800 people. the water system is designed for a service population of about 4500 people.

Annual water consumption is between 90 and 100 million gallons per year. This averages out to about 245,000 to 274,000 gallons per day.

Fire Department

Preferred Option

The sub-committee agreed by consensus that it preferred to amalgamate Fire Departments and retain functions of both Fire Stations. The report of the sub-committee stated this option in the following way:

Both existing Fire Stations remain but neither station is reduced in size for the immediate future. Training will be relocated to one Fire Station. Both these issues will be deferred until a new Fire Chief and Municipal Council take over. After a transition period and an assessment of hall facilities decisions on station size and main training location will be made. A decision on the administrative headquarters for the amalgamated Fire Departments will also be made with recommendations by the new Fire Chief and amalgamated Municipal Council. Vehicle Extraction response for the combined municipalities will follow the same response mechanisms as present.

Fire Department Assets, 1997

Petawawa Township Fire Department Assets (assets valued at greater than \$1000)

	\$ 000's
1992 Triple Combination Pumper	175
1985 Tanker	150
1974 Pumper	100
1985 3/4 ton Skid Unit	40
Portable Pump	2
Bush Pump (2 units)	3
Pagers (22)	10
Base Radio/Pager Station	50
Portable Radios (4)	6
SCBA (10)	25
Hose	15
Nozzles / Eductor	3
Monitor	2
Porta Tank	1
Ladders	2
Foam (24 pails)	4
Dry Chemical (14 pails)	2
Nitrogen (11 cylinders)	3
Tools	2
Chainsaws (2)	1.2
TV / VCR	1
Generator	2
Smoke Ejector	2
Appliances (valves, couplings)	2
Basic Rescue Kit	3
Bunker Gear	20
Office Computer	3
Photocopier	2
Cellular Phones (2)	1

TOTAL (Estimate) \$632,200.00

Petawawa Village Fire Department Assets (assets valued at greater than \$1000)

	\$ 000's
1985 Pumper 1025 GPM	245
1972 Pumper 625 GPM	193
1992 Rescue, Haz-Mat Van (donated)	125
Breathing Apparatus (11)	22
Air Cylinders (20)	8
Gas Detector	2
Hurst Jaws of Life (donated)	30
Air Chisel Kit	1
Oxygen Ventilator	1.2
Monitor w/ Nozzles	3.5
Hose (38 mm)	7
Hose (65 mm)	9
Hose (100 mm)	6.6
Generators (2)	5
Turn-out Gear (24)	24
Computer - 486 PC w/ printer	2.5
FAX (donated)	1
Hazard House (donated)	5
TV / VCR (donated)	2.5
Other equipment and tools	50

TOTAL (Estimate) \$743,400.00

The Fire Department Sub-Committee looked at the possibilities of a merged Fire Department from the point of view of financial implications, the type of organizational structure that could be used, levels of service, and possible cost savings.

Existing Situation

The Petawawa Township Fire Department consists of a four bay self-contained firehall, vehicles and equipment valued at \$632,200 (see appendix), and a complement of 19 firefighters including a Fire Chief and Deputy Fire Chief. The department has financial reserves of \$147,200 with no outstanding debts.

The Petawawa Village Fire Department consists of a four bay firehall attached to the Municipal Office, vehicles and equipment valued at \$743,400 (see appendix) and a complement of 24 firefighters including Fire Chief and Deputy Fire Chief. The department has financial reserves of about \$55,000 and no outstanding debts.

Options Reviewed

1. Shared services, no amalgamation.
2. Amalgamate fire departments but reduce size of Village Fire Station.
3. Amalgamate fire departments and retain functions of both Fire Stations.
4. Amalgamate fire departments, transfer some of Village response area to CFB.

The village and township fire departments would operate as they do now but would share fire fighting duties in certain locations if response time would be quicker, and would purchase some supplies and equipment together for possible financial savings

Under this scenario, training and vehicular extraction would be relocated to the Township station.

Under this scenario, decisions on station sizes, training location, and the location of the admin headquarters would be deferred until new amalgamated municipal council and new Fire Chief takes over.

Under this option, both Fire Stations would remain but would change their areas of response, with the Village station taking over some populated township areas next to the Village.

Preferred Option - Discussion

The pros and cons of these options were each evaluated in terms of Fire Stations, Personnel, Fire Apparatus, Training, Pager Service and Communications, Prevention/Inspection Service, Vehicle Extraction.

To have an effective amalgamated Fire Department serving the 15,000 residents of an amalgamated Petawawa, there will be minimum requirements in several areas.

1) Fire Stations

Both Stations should be retained to allow a reasonable response to the majority of residents. The size of each station, the response boundaries of the stations and some duties of each should be relocated.

The Township Fire Station serves a larger land base with a significant number of well travelled primary and secondary roads. The training function of the amalgamated department should be relocated to this station. As well, the Township station would provide backup water tanker supply to areas without hydrant water supply covered by the Village station.

The Village Fire Station has numerous streets and crescents to serve but the potential for traffic accidents is lower because of reduced speeds. The station should be reduced in size by one bay. The Village station should enlarge its response area to include populated areas such as Petawawa Point and Portage Road that are located geographically closer to it.

2) Personnel

A total of 36 persons are recommended to operate the amalgamated Fire Department, a reduction from the current complement of 43.

A single Fire Chief/ Coordinator would be hired to run the amalgamated Fire Department. This position would plan and coordinate the amalgamation of the two fire departments, as well as be in charge of general operations. It would have to be determined if this was to be a full time or part time position.

Each station would require a part time station chief to administer the functions and personnel at each station. One Training and Prevention Officer and one Vehicle Mechanic with appropriate certifications would also be required in the amalgamated department.

A single standby system would be employed to ensure personnel are available to respond to fire calls during nights and weekends. The number of persons on the crew will be determined by the new Fire Chief - at present the

Township uses a two person standby crew and the Village a five person crew. The number of firefighters required for the combined departments could then be determined.

3) Fire Apparatus

Fire apparatus requirements would remain the same until an assessment is carried out by the new Fire Chief to determine the most effective location for both fire equipment and apparatus.

At present the Village has two pumpers and a Rescue Command Vehicle with a heavy extrication unit. The Township has two pumpers, a tanker supply vehicle for areas without water hydrant supply, and a dual agent skid unit used in airport crash rescues.

4) Training

The amalgamated Fire Department would operate a combined training program so staff would be able to work effectively with the apparatus and personnel of either station. This training would be administered from one station, although ongoing crew/shift refresher training should be continued at both locations.

5) Pager Service and Communications

Both departments have compatible Motorola pagers and radios that use the Renfrew County Mutual Aid frequency. In addition the Township has a private frequency. It is recommended that both fire stations operate on the Township frequency to allow effective communications between stations and avoid overcrowding the County frequency.

6) Prevention/Inspection Service

Prevention and inspection programs from the two municipalities should be combined into one program. This would be administered by one part time salaried officer who would be paid on an as-required basis. The feasibility of a user fee for all inspections should be explored to recover the costs of Fire Inspections.

7) Vehicle Extrication

At present the Township station has a light extrication unit while the Village station operates a heavy extrication unit which is available to the Township when required.

The new Fire Chief should carry out a review of the existing extrication equipment and vehicles to determine their most effective location under an amalgamated department and make recommendations to council.

Continued next page

Fire Department (continued)

Preferred Option - Discussion (Continued)

FINANCIAL IMPACT

The implementation of this option would entail an initial outlay of funds to consolidate services, but a long term savings for the amalgamated department. Financial implications include:

- One time capital cost to connect Pagers.....\$4,000
- One time expense for renovations to Village station.....\$2,000
- Fire Chief salary, part-time, per year \$15,000 - \$20,000
- Station Chief wages
 - Village Fire Station\$6,500
 - Township Fire Station\$6,500
- Fire fighters wages - to be determined
 - existing wage levels to be blended
 - reduction of staff positions (retirement)

- Operating budget - to be determined
 - estimated reduction could be as much as \$15,000 per year
 - reductions to be determined by new Fire Chief
- Budget Reserves - to be determined
 - reduction of reserve funds because purchase of a new fire truck (value \$225,000) not necessary and because two existing funds are amalgamated

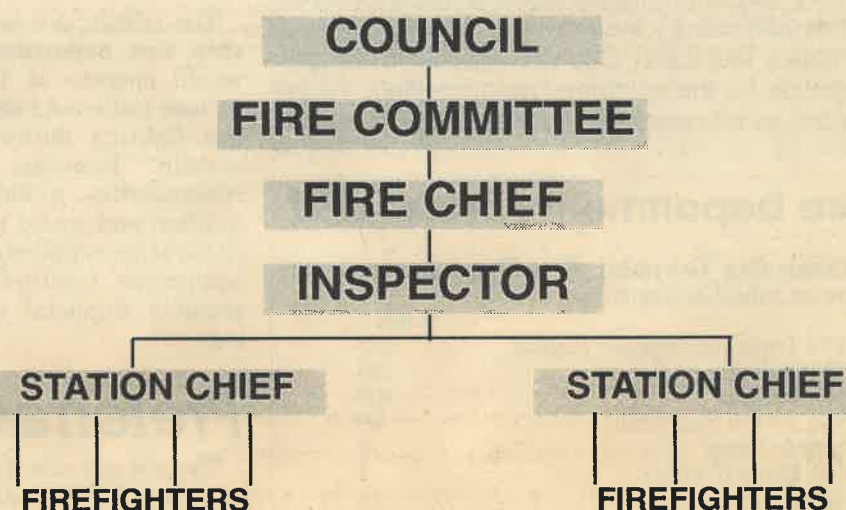
SERVICE IMPACT

An amalgamated department will result in better service for Petawawa area residents as the two Fire Stations will provide integrated service with central dispatch and shared equipment. In particular, response time to areas such as Portage Road and Petawawa Point would be vastly improved.

Existing and Amalgamated Fire Department Budgets

	TOWNSHIP	VILLAGE	AMALGAMATED
Wages	67,145	58,000	110,145
Travel & Education	5,000	4,000	9,000
Heat & Light	4,000	3,500	7,500
Association Dues	500	500	1,000
Dispatch - phone	10,750	13,000	23,750
Office supplies	6,100	-	6,100
Equipment	8,000	7,000	15,000
Fire Supplies	3,000	2,000	5,000
Fire Prevention	750	3,000	3,750
Building Maintenance	4,000	6,000	10,000
Fuel, parts	7,500	4,200	11,700
Medicals	1,200	-	1,200
Reserve/Equipment	-	10,000	10,000
Fire Hall Capital	-	3,300	3,300
Equipment Capital	-	10,000	10,000
Insurance	6,500	-	6,500
Shipping	50	-	50
TOTALS	124,495	124,500	233,995

Amalgamated Organization Fire Department



"MEGAWEEK ANNOUNCEMENTS"

The government of Ontario has made several announcements which will impact on all municipalities including the Petawawas. Here is a sampling of some of the issues. One significant factor which remains unknown is the impact the following new policies will have on the relationship between the County of Renfrew and the municipality of Petawawa.

GOVERNMENT NEW POLICY - WHAT WE KNOW	WHAT WE DON'T KNOW
PROGRAM AREAS	PROGRAM AREAS
<u>Fair Municipal Finance Act</u> The property tax system in Ontario is going to change in three main areas: i) property assessment will change to Current Value Assessment (market value assessment); ii) Education Taxes are being removed from the residential tax bill; iii) services are being downloaded from the Province to the municipalities, e.g. policing, ambulance services and half of welfare costs will now have to be financed by the municipalities; iv) All Provincial unconditional grants will be eliminated in 1998.	<u>Fair Municipal Finance Act</u> Don't know the details yet on how the property tax system is going to work.
<u>Police Services</u> Municipalities will be responsible for paying the costs of police services starting in 1998.	<u>Police Services</u> Don't know what levels of service will be required or the costs.
<u>Ambulance Services</u> Municipalities will assume responsibility for delivery and 100 % financing of land ambulance services.	<u>Ambulance Services</u> Don't know the minimum levels of service required, the costs or how the service will be delivered.
<u>Libraries</u> Provincial operating grants will be phased out but will continue to fund a province-wide information network. Municipal councils will control libraries.	<u>Libraries</u> Don't know phase out plan for provincial grants and costs involved in managing service.
<u>Environment</u> Not expected to have a significant impact on amalgamation, except septic systems inspections and certifications are being downloaded to the municipalities.	<u>Environment</u> Don't know standards for septic systems approvals, or costs.
<u>Social Assistance</u> Half of welfare cost will be borne by municipalities instead of current 20 %.	<u>Social Assistance</u> Don't know entitlements or how the service will be delivered.

Financial Analysis & Impacts (following pages)

The Amalgamation Committee decided, based on their own discussions and the input received at public meetings to date, that it was necessary to provide a financial picture of the current status quo for the Village and Township compared to the projected or combined entity. Accordingly, they asked Welch & Company, who are the auditors for the Township and Village, to prepare financial projections based on amalgamated operations of the two municipalities.

Following is the actual ten page financial projection prepared by Welch & Company and it should be read in its entirety. It should be noted that this projection is for the year ending December 31, 1997, only.

The financial projection includes:

- **impact on taxation (Page 5),**
- **statement of reserves and funds (Page 9), and**
- **statement of long term liabilities (Page 10).**

Representatives of the auditors will attend the public meeting March 19, 1997, to explain the projection and answer questions.

FINANCIAL PROJECTION BY WELCH & COMPANY

1

WELCH & COMPANY
LEVESQUE MARCHAND
 CHARTERED ACCOUNTANTS / COMPTABLES AGRÉÉS
 OTTAWA, HULL, BELLEVILLE, CORNWALL, PEMBROKE, PICTON, GATINEAU, TRENTON, TWEED, CAMPBELLFORD

270 LAKE STREET
 PO BOX 757
 PEMBROKE, ONTARIO
 K8A 6X9
 (613) 735-1021
 FAX (613) 735-2071

NOTICE TO READER ON THE COMPILATION OF A FINANCIAL PROJECTION

To the Members of Council, Inhabitants and Ratepayers
 of the CORPORATION OF THE TOWNSHIP OF PETAWAWA
 and the CORPORATION OF THE VILLAGE OF PETAWAWA

We have compiled a financial projection for the CORPORATIONS OF THE TOWNSHIP OF PETAWAWA AND THE VILLAGE OF PETAWAWA consisting of a projected amalgamated balance sheet of the revenue fund as at December 31, 1997 and statements of projected amalgamated operations and a summary of projected mill rates for the year then ending using assumptions, including the hypotheses set out in Note 2, with an effective date of February 14, 1997, and other information provided by the amalgamation committee. Our engagement was performed in accordance with the applicable guidance on compilation of a financial projection issued by The Canadian Institute of Chartered Accountants.

This compilation is limited to presenting, in the form of a financial projection, information provided by the amalgamation committee and does not include evaluating the support for the assumptions, or other information underlying the projection. Accordingly, we do not express an opinion or any other form of assurance on the financial projection or assumptions. Further, since this financial projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypotheses occur, and the variations may be material. We have no responsibility to update this communication for events and circumstances occurring after the date of this communication.

Welch & Company
 CHARTERED ACCOUNTANTS

Pembroke, Ontario.
 February 14, 1997.

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TOWNSHIP OF PETAWAWA AND VILLAGE OF PETAWAWA PROJECTED AMALGAMATED BALANCE SHEET OF THE REVENUE FUND

AS AT DECEMBER 31, 1997

	1996 Actual		Amalgamated	
	Village	Township	Actual as at Dec. 31/96	Projected as at Dec. 31/97
ASSETS				
Unrestricted				
Cash	\$ 960,120	\$ 500,362	\$ 1,460,482	\$ 1,512,938
Taxes receivable	300,349	167,442	467,791	450,000
Due from own boards	62,886	-	62,886	60,000
Grants receivable	543,064	15,482	558,546	150,000
Accounts receivable	66,656	34,245	100,901	100,000
Due from reserve funds	7,820	-	7,820	-
	<u>1,940,895</u>	<u>717,531</u>	<u>2,658,426</u>	<u>2,272,938</u>
Restricted				
Cash	745,560	347,483	1,093,043	1,087,062
Due from revenue fund	-	369	369	-
Development charge receivable	-	1,470	1,470	-
	<u>745,560</u>	<u>349,322</u>	<u>1,094,882</u>	<u>1,087,062</u>
	<u>\$ 2,686,455</u>	<u>\$ 1,066,853</u>	<u>\$ 3,753,308</u>	<u>\$ 3,360,000</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 443,345	\$ 78,023	\$ 521,368	\$ 179,319
Due to own boards (Note 3)	1,340,750	203,526	1,544,276	1,544,276
Due to revenue fund	7,820	-	7,820	-
Due to reserve fund	-	369	369	-
	<u>1,791,915</u>	<u>281,919</u>	<u>2,073,833</u>	<u>1,723,595</u>
FUND BALANCES AT THE END OF THE YEAR				
To be used to offset taxation (Note 4)	(8,200)	51,270	43,070	-
Reserves (Note 5)	165,000	384,343	549,343	549,343
Reserve funds (Note 5)	<u>737,740</u>	<u>349,322</u>	<u>1,087,062</u>	<u>1,087,062</u>
	<u>894,540</u>	<u>784,935</u>	<u>1,679,475</u>	<u>1,636,405</u>
	<u>\$ 2,686,455</u>	<u>\$ 1,066,853</u>	<u>\$ 3,753,308</u>	<u>\$ 3,360,000</u>

PREPARED WITHOUT AUDIT - SEE NOTICE TO READER

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TOWNSHIP OF PETAWAWA AND VILLAGE OF PETAWAWA STATEMENT OF PROJECTED AMALGAMATED OPERATIONS

PROJECTED YEAR ENDING DECEMBER 31, 1997

	Village	Township	Savings	Amalgamated
PROJECTED EXPENDITURES				
General Government				
Salaries and benefits	\$ 244,965	\$ 251,204	\$ 57,631	\$ 438,538
Materials and services	139,636	123,344	58,750	204,230
Protection To Persons and Property				
Fire				
Salaries and benefits	59,489	69,072	15,000	112,561
Materials and services	39,882	56,934	-	96,816
Police Protection				
Salaries and benefits	3,600	298	-	3,898
Materials and services	-	-	-	-
Building Inspector				
Materials and services	1,809	45,645	-	47,454
Animal Control and By Law Enforcement				
Materials and services	26,787	21,727	-	48,514
Roads and Transportation				
Street Lighting				
Materials and services	48,357	29,492	-	77,849
Public Works				
Salaries and benefits	136,253	116,231	28,340	224,144
Materials and services	56,328	262,484	16,500	302,312
Capital	250,000	187,911	-	437,911
Airport Grant	3,803	8,725	-	12,528
Environmental Services				
Garbage collection	135,452	151,095	-	286,547
Area landfill	39,643	55,550	-	95,193
Waste management	23,896	30,002	-	53,898
Blue box and recycling	44,119	40,960	-	85,079
Recreation and Cultural Services				
Payments to Civic Centre	178,900	178,900	-	357,800
Payments to Union Public Library	41,434	76,949	-	118,383
Other recreation services	41,006	25,324	-	66,330
Planning and Development	11,079	5,655	-	16,734
Welfare Benefits	342,021	274,142	-	616,163
Municipal Fund Balances at the end of the year				
Total Expenditures to be financed (carried forward to next page)	<u>\$ 1,868,459</u>	<u>\$ 2,010,644</u>	<u>\$ 176,221</u>	<u>\$ 3,702,882</u>

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TOWNSHIP OF PETAWAWA AND VILLAGE OF PETAWAWA STATEMENT OF PROJECTED AMALGAMATED OPERATIONS

PROJECTED YEAR ENDING DECEMBER 31, 1997

	Village	Township	Savings	Amalgamated
Total Expenditures to be Financed (from previous page)	<u>\$ 1,868,459</u>	<u>\$ 2,010,644</u>	<u>\$ 176,221</u>	<u>\$ 3,702,882</u>
Less Projected Sources of Financing				
Municipal fund balance at beginning of year	(8,200)	51,270	-	43,070
Grants				
Ontario				
Block grant	432,629	287,595	-	720,224
Welfare grant	299,393	226,845	-	526,238
Specific grants	1,860	5,206	-	7,066
Licenses, permits and certificates	37,722	45,413	-	83,135
Facilities rentals	11,376	-	-	11,376
Interest on taxes	43,514	30,928	-	74,442
Interest on investments	45,772	41,362	-	87,134
Administration of waterworks	39,000	10,000	-	49,000
Other miscellaneous income	17,291	8,328	-	25,619
Telephone and telegraph	27,871	22,321	-	50,192
Garbage charges	214,615	217,261	-	431,876
Transfers from reserves	-	-	-	-
Municipal fund balance at end of the year	<u>1,162,843</u>	<u>946,529</u>	<u>-</u>	<u>2,109,372</u>
Total to be Financed by Taxation and Grants in Lieu (carried forward to next page)	<u>\$ 705,616</u>	<u>\$ 1,064,115</u>	<u>\$ 176,221</u>	<u>\$ 1,593,510</u>

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TOWNSHIP OF PETAWAWA AND VILLAGE OF PETAWAWA SUMMARY OF PROJECTED MILL RATES

PROJECTED YEAR ENDING DECEMBER 31, 1997

	Village	Township	Savings	Amalgamated
Total to be Financed by Taxation and Grants in Lieu (from previous page)	<u>\$ 705,616</u>	<u>\$ 1,064,115</u>	<u>\$ 176,221</u>	<u>\$ 1,593,510</u>
Total assessment including grantable properties (Note 2c) (Commercial and business assessments converted to equivalent residential) (000's)	<u>\$ 8,154</u>	<u>\$ 19,500</u>	<u>\$ -</u>	<u>\$ 27,654</u>
Projected Mill Rates	86.536	54.569	-	57.812
Projected Municipal share of property taxes on a house appraised at \$125,000 (3636 assessment)	<u>\$ 315</u>	<u>\$ 198</u>	<u>\$ -</u>	<u>\$ 210</u>

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PROPOSED MILL RATE PHASE-IN (Note 2d)

Proposed Mill Rates

1997	80.143	48.430
1998	74.560	50.775
1999	68.976	53.121
2000	63.393	55.467
2001	57.812	57.812

Proposed Municipal share of property taxes on a house appraised at \$125,000 (3636 assessment)

1997	\$ 291	\$ 176
1998	\$ 271	\$ 185
1999	\$ 251	\$ 193
2000	\$ 230	\$ 202
2001	\$ 210	\$ 210

FINANCIAL PROJECTION BY WELCH & COMPANY

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TOWNSHIP OF PETAWAWA AND VILLAGE OF PETAWAWA SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES EMPLOYED IN PREPARATION OF FINANCIAL PROJECTION FOR THE YEAR ENDING DECEMBER 31, 1997

This projection has been prepared as at February 14, 1997 on the basis of the following assumptions and hypotheses. These assumptions are based on the municipal amalgamation committee's proposal for the amalgamation of the Corporations of the Township of Petawawa and the Village of Petawawa for the period covered by the projection given the committee's judgement as to the most probable set of economic conditions to be encountered, together with the hypotheses which are consistent with the purpose of the information.

NOTE 1 ACCOUNTING POLICIES

The amalgamated financial statements of the Corporations of the Township of Petawawa and the Village of Petawawa are the representation of the amalgamation committee prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs.

(a) Basis of Presentation

These financial statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, but excludes the activities of the following boards:

Village of Petawawa and Township of Petawawa Union
Public Library Board
Township of Petawawa Water Distribution System
Village of Petawawa Waterworks
Petawawa Civic Centre Committee
Township of Alice and Fraser - Area Sanitary Landfill Site
Pembroke and Area Waste Management Board
Pembroke and Area Recycling Board

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Capital Assets
The historical cost and accumulated depreciation for capital assets are not recorded for municipal purposes. Capital assets are reported as an expenditure on the Statement of Projected Amalgamated Operations.

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TOWNSHIP OF PETAWAWA AND VILLAGE OF PETAWAWA SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES EMPLOYED IN PREPARATION OF FINANCIAL PROJECTION FOR THE YEAR ENDING DECEMBER 31, 1997

NOTE 2 HYPOTHESES AND SIGNIFICANT ASSUMPTIONS

a) This projection has been prepared based on the assumption of amalgamation of the Township of Petawawa and the Village of Petawawa effective of January 1, 1997.

b) Amalgamated Operations

Projected operations for each municipality for the year ending December 31, 1997 are based on management's estimate of the most probable results from operations. Furthermore, projected operations do not include any expenditures or financing resulting from transfers to or from reserves or reserve funds.

Projected Savings resulting from amalgamation have been provided by the amalgamation committee. The projection does not reflect start up costs associated with amalgamation nor savings resulting from proceeds on disposal of redundant assets.

c) Calculation of Projected Equivalent Residential Assessment:

The projected equivalent assessment is calculated as follows:

	Assessment per Dec. 3/96 Assessment Roll (000's)	Equivalent Residential Assessment (000's)
Village of Petawawa		
On Municipal Taxpayers		
Residential	\$ 5,397	\$ 5,397
Commercial	\$ 807 + .85	949
Business	\$ 263 + .85	310
On Grantable Properties		
Residential	\$ 1,418	1,418
Commercial	\$ 59 + .85	69
Business	\$ 9 + .85	11
		<u>\$ 8,154</u>
Township of Petawawa		
On Municipal Taxpayers		
Residential	\$ 6,895	\$ 6,895
Commercial	\$ 1,126 + .85	1,325
Business	\$ 243 + .85	286
On Grantable Properties		
Residential	\$ 4,023	4,023
Commercial	\$ 6,077 + .85	7,149
Business	\$ 19 + .85	22
		<u>\$ 19,500</u>
Total		<u>\$ 27,654</u>

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TOWNSHIP OF PETAWAWA AND VILLAGE OF PETAWAWA SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES EMPLOYED IN PREPARATION OF FINANCIAL PROJECTION FOR THE YEAR ENDING DECEMBER 31, 1997

NOTE 2 HYPOTHESES AND SIGNIFICANT ASSUMPTIONS (cont'd)

c) The Village of Petawawa operates a municipal enterprise in the Township of Petawawa and pays a grant to the Township on this property. On amalgamation this grant would no longer be payable. The total equivalent assessment on this property is \$90,000, thus the total equivalent assessment on amalgamation would be \$27,564,000.

d) Proposed Mill Rate Phase-In

The amalgamation committee has proposed a five year phase-in period for new mill rates.

The proposed mill rate phase-in over 5 years to the year 2001 assumes no changes in the level of expenditures, sources of financing, and total assessment base. The proposed mill rates for 1997 are calculated based on December 31, 1997 projected savings of \$175,221 being allocated to each municipality pro rata based on projected equivalent residential assessment. The mill rates are then adjusted incrementally over five years until, in the year 2001, mill rates are equal for the Village and the Township.

NOTE 3 DUE TO OWN BOARDS

Due to own boards of \$1,544,276 on the projected amalgamated balance sheet of the revenue fund consists of the following:

	Village	Township	Total
Township Water Distribution System	\$ -	\$ 203,526	\$ 203,526
Village Waterworks	444,604	-	444,604
Village Sewage Project	896,146	-	896,146
	<u>\$ 1,340,750</u>	<u>\$ 203,526</u>	<u>\$ 1,544,276</u>

These balances are presented on this special purpose financial projection because this projection excludes user charges for specified services which do not affect the projected mill rates on the summary of projected mill rates.

NOTE 4 MUNICIPAL FUND BALANCES

The balance on the Statement of Projected Amalgamated Operations of municipal equity at December 31, 1997 of NIL (1996 - \$43,070) is projected to be used for a general reduction in taxation.

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TOWNSHIP OF PETAWAWA AND VILLAGE OF PETAWAWA SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES EMPLOYED IN PREPARATION OF FINANCIAL PROJECTION FOR THE YEAR ENDING DECEMBER 31, 1997

NOTE 5 RESERVES AND RESERVE FUNDS

The total balance of reserves and reserve funds of \$549,343 and \$1,087,062 respectively are made up of the following:

	Village	Township	Total
Reserves set aside for specific purposes by Council			
for election and administration	\$ 5,000	\$ 12,449	\$ 17,449
for severance pay	-	41,747	41,747
for working capital	160,000	100,000	260,000
for environmental services	-	112,082	112,082
for industrial park	-	10,359	10,359
for recycling	-	15,000	15,000
for capital expenditures	-	-	-
- roads equipment	-	82,860	82,860
- fire equipment	-	9,846	9,846
Total reserves	<u>\$ 165,000</u>	<u>\$ 384,343</u>	<u>\$ 549,343</u>
Reserve funds set aside for specific purposes by Council			
for environmental services	\$ 149,091	\$ 49,442	\$ 198,533
for drainage	-	10,464	10,464
for capital expenditures	188,966	-	188,966
	<u>338,057</u>	<u>59,906</u>	<u>397,963</u>
Reserve funds required to be set aside by legislation, regulation or agreement			
for recreational land purposes	51,256	10,146	61,402
for development charges	348,427	279,270	627,697
Total reserve funds	<u>\$ 737,740</u>	<u>\$ 349,322</u>	<u>\$ 1,087,062</u>

NOTE 6 LIABILITY FOR SEVERANCE PAY

Under the severance pay benefit plan for the Township of Petawawa, an employee is entitled to a cash payment when they leave the municipality's employment equal to one week pay for each year of service. The liability for this plan, to the extent that they have vested and could be taken in cash by an employee on termination, amounts to \$41,747 at the end of the year. A reserve has been provided for this past service liability and is reported on the Projected Amalgamated Balance Sheet.

The Village of Petawawa has not established a severance pay benefit plan and any potential severance liability for a Village employee is not provided for in this projected financial statements nor has any reserve been set up.

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TOWNSHIP OF PETAWAWA AND VILLAGE OF PETAWAWA SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES EMPLOYED IN PREPARATION OF FINANCIAL PROJECTION FOR THE YEAR ENDING DECEMBER 31, 1997

NOTE 7 COMMITMENTS

(a) Animal Control

The Township has entered into a contract for animal control. The contract expires on April 14, 1998 and provides for annual payments of \$20,600.

The Village has not entered into a formal contract for animal control, however during 1996 the Village paid \$13,850 for animal control.

(b) Fire Protection

The Township has entered into an agreement to operate a fire alarm alert system on behalf of the Township. The contract expires on December 31, 1997 and provides for payments of \$8,551 in 1996 and \$8,979 in 1997.

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The Village has entered into an agreement to operate a fire alarm alert system on behalf of the Village. The contract expires on December 31, 2004 and provides for payments of \$10,574 in 1996 and \$8,893 in 1997.

(c) Garbage Collection

The Township has entered into a contract for the collection of garbage. The contract expires on March 31, 1998 and provides for annual payments of \$163,585.

The Village has entered into a contract for the collection of garbage. The contract expires on May 31, 1997 and provides for annual payments of \$89,205.

NOTE 8 LONG-TERM LIABILITIES

This financial projection does not include the following long-term liabilities to be recovered from user charges and reported separately in unconsolidated local board financial statements.

Township of Petawawa Water Distribution System	\$ 908,000
Village of Petawawa Waterworks	1,586,000
	<u>\$ 2,494,000</u>