



The United Townships of Head, Clara & Maria

2023 Budget Report

Prepared By:
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Date:
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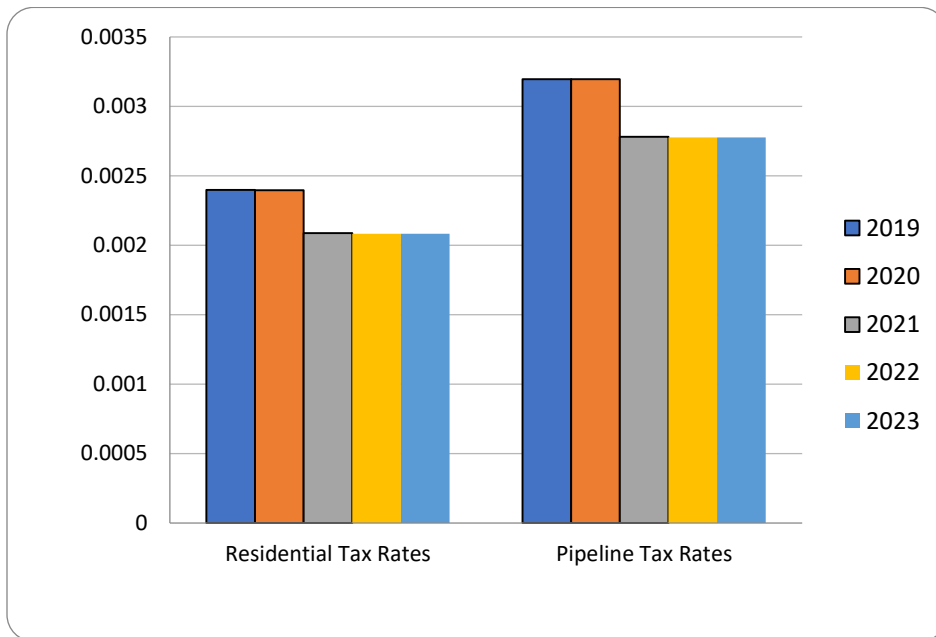
PROPOSED BUDGET

	Budget 2022	Proposed 2023
Expenses		
General Government	\$ 472,800.00	\$ 490,210.00
Protection & Health Services	\$ 104,570.00	\$ 113,010.00
Transportation Services	\$ 279,820.00	\$ 355,970.00
Environmental Services	\$ 62,300.00	\$ 86,390.00
Social & Family Services		
Recreational & Cultural Services	\$ 88,400.00	\$ 68,200.00
Land Use Planning & Development		
Grant expenses	\$ 177,200.00	\$ 30,180.00
Reserve Expenses		
TOTAL	\$ 1,185,090.00	\$ 1,143,960.00
Transfers to Reserves	\$20,000.00	\$76,528.00
Capital Budget		
TOTAL	\$20,000.00	\$76,528.00
Grand Total	\$ 1,205,090.00	\$ 1,220,488.00
Revenues		
Previous year Operating Surplus	\$ 195,000.00	\$ 185,000.00
Grants	\$ 324,260.00	\$ 204,550.00
Revenues	\$ 235,400.00	\$ 310,680.00
Grand Total	\$ 754,660.00	\$ 700,230.00
DIFFERENCE	\$ 450,430.00	\$ 520,258.00

HOW DOES THIS AFFECT PROPERTY TAXES?

Property taxes are calculated based on established tax rates, which are calculated by the amount of money needed as determined in the budget divided by the total assessed value of properties in the municipality. Tax ratios may be applied to offset assessment reductions in a given tax class so that properties in that tax class continue to pay the same share of the assessment.

The graph below depicts the change in tax rates from 2019 to 2023 for the residential and the pipeline property classes.



The table below shows the amount of municipal tax that a residential property owner would have or will pay based on \$100,000 dollars of assessment and the established tax rates for 2019 – 2023. **The residential lower tier 2023 rate is proposed to remain the same as the 2022 rate.**

Year	Residential Tax Rates	Payment based on \$100,000 Assessment
2019	0.00239715	\$239.72
2020	0.00239684	\$239.68
2021	0.00208693	\$208.69
2022	0.00208325	\$208.33
2023	0.00208325	\$208.33

The budget has been updated to include the items discussed at the February 23, 2023 meeting of council, including:

An additional \$10,000 for gravel resurfacing;

\$3000 for Canada Day celebrations;

\$2000 for Emergency Management (communications equipment); and

\$1000 for Community Pantry and advertising board replacement/repairs.

With an increase in estimated operating surplus, and factoring in the additional expenses listed above, there was \$5,358 remaining that is proposed to be transferred to reserves (Contingencies) along with the original \$71,170.

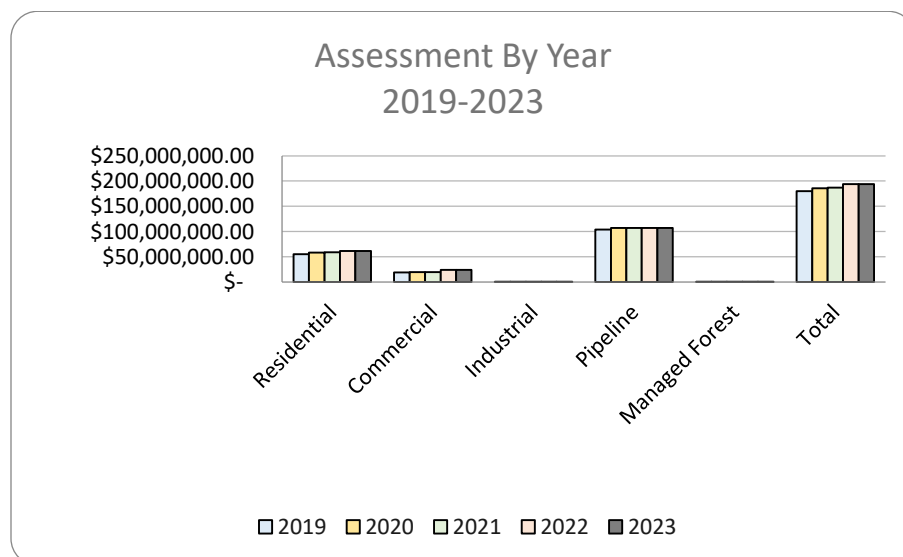
If Council does not want to transfer the \$5,358 into reserves, the tax rate could be reduced to 0.00206180 which would represent a 1.03497% reduction in the tax rate for 2023. The resulting operating budget for 2023 would then be \$ 1,215,130.00. It is not Staff recommendation to reduce the 2023 residential property tax rate.

ASSESSMENT CHANGES

The following table summarizes property assessment by property class over a five-year period.

Year	Residential	Commercial	Industrial	Pipeline	Managed Forest	Total
2019	\$ 55,562,734	\$ 19,389,257	\$ 372,725	\$ 104,329,250	\$ 282,800	\$ 179,936,766
2020	\$ 58,240,700	\$ 19,698,200	\$ 372,900	\$ 107,184,000	\$ 333,000	\$ 185,828,800
2021	\$ 59,123,200	\$ 19,699,400	\$ 372,900	\$ 107,184,000	\$ 333,000	\$ 186,712,500
2022	\$ 61,721,700	\$ 24,146,400	\$ 372,900	\$ 107,184,000	\$ 333,000	\$ 193,758,000
2023	\$ 61,945,500	\$ 24,158,100	\$ 372,900	\$ 107,184,000	\$ 333,000	\$ 193,993,500

NOTE: Pipeline Assessment is significant; representing 55% of the overall property type in the Municipality.



*Total assessed values increased by \$235,500 from 2022 to 2023.

Breakdown of Budgeted Revenue

Revenue	Budget 2022	Projected 2023
PIL and Taxation	\$ 176,320.00	\$ 176,180.00
General Government	\$ 40,000.00	\$ 82,080.00
Fees & Permits	\$ 2,080.00	\$ 2,200.00
Recycling	\$ 13,500.00	\$ 30,350.00
Helipad	\$ 3,500.00	\$ 3,500.00
Parks & Recreation	\$ -	\$ 16,370.00
	\$ 235,400.00	\$ 310,680.00

	Budget 2022	Projected 2023
Grants		
OCIF	\$ 100,000.00	\$ 100,000.00
OMPF	\$ 59,700.00	\$ 69,000.00
Gas Tax	\$ 7,860.00	\$ 8,210.00
Seniors Program	\$ 11,170.00	\$ 13,000.00
Modernization	\$ 14,270.00	
Canada Summer Jobs	\$ 4,200.00	\$ 4,340.00
RED Program		\$ 10,000.00
COVID Related		
Special (ICIP)	\$ 127,060.00	
	\$ 324,260.00	\$ 204,550.00
Total:	\$ 559,660.00	\$ 515,230.00

Analysis of Expense Categories

General Government

Refers to the following expenses:

- Employee wages, taxes, benefits, and related expenses. This amount is not broken down by department in accordance with privacy protection provisions of the *Municipal Freedom of Information and Privacy Protection* legislation.
- Council expenses include the established honorarium as per the Remuneration Bylaw, mileage, resource material and an allowance for Integrity Commissioner Advice and/or legal opinions.
- General administration expenses include:
 - Audit Costs
 - Communication, Computer Software and Hardware, and Internet Costs
 - Legal Expenses
 - Insurance
 - Building Operating and Maintenance Costs

	Budget 2022	Proposed 2023
General Government		
Payroll & Payroll Expenses	\$ 329,100.00	\$ 347,030.00
Council Expenses	\$ 47,000.00	\$ 44,500.00
General Administration	\$ 96,700.00	\$ 98,680.00
	\$ 472,800.00	\$ 490,210.00

Health and Protection Services

Legislation requires municipalities to provide specific services related to public and personal safety. These include:

- Fire Prevention - includes cost for annual fire agreement with the Ministry of Natural Resources and Forestry, smoke alarm and other fire safety programs.
- Policing - contracted to the Ontario Provincial Police.
- Emergency Management – annual training and education to meet compliance requirements under the Office of the Fire Marshall and Emergency Management.
- Compliance with the Building Code which requires municipalities appoint a Chief Building Official who has the responsibility to enforce the *Building Code* and other property related Bylaws established by the Municipality.
- Physician Recruitment – contributions made in partnership with neighbouring municipalities.
- Helipad – snow removal and maintenance as per contract with ORNGE.

	Budget 2022	Proposed 2023
Protection & Health Services		
CBO	\$ 1,050.00	\$ 1,100.00
Emergency Management	\$ 600.00	\$ 3,150.00
Fire Services	\$ 12,150.00	\$ 12,630.00
Policing	\$ 86,420.00	\$ 91,630.00
Physician Recruitment	\$ 1,700.00	\$ 1,700.00
Helipad	\$ 2,500.00	\$ 2,500.00
Health and Safety	\$ 150.00	\$ 300.00
	\$ 104,570.00	\$ 113,010.00

Transportation and Environmental Services

Transportation services refer to summer and winter road maintenance along with capital projects. Larger expense items included in the proposed 2023 budget include:

\$75,000 to purchase gravel;

\$3,500 to replace guard rails on Harvey Creek Road;

\$2,000 to repair asphalt on Rivermead Road; and

\$2,700 to repair Township Hall Road in front of the municipal office.

\$102,340 is budgeted under Special Projects for streetlight installations.

Environmental services include landfill capital and operating costs, garbage collection and recycling program costs. \$12,500 is budgeted under special projects to have the bear fencing repaired/replaced in the spring. \$3500 will be transferred to reserves for well replacements required at the Bissett Creek landfill site.

	Budget 2022	Proposed 2023
Transportation & Environmental Services		
Transportation	\$ 183,820.00	\$ 253,630.00
Environmental Services	\$ 62,300.00	\$ 73,890.00
Special Projects	\$ 96,000.00	\$ 114,840.00
	\$ 342,120.00	\$ 442,360.00

Recreational and Cultural Services

This portion of the budget reflects the costs of operating/managing the following which has been partly established by the Recreation Committee:

- Recreation Activities (which includes the operation of the bar etc.)
- The Municipal Hall Operation and Maintenance
- Boat Launch & Playground Maintenance (includes grass cutting and dock removal)

Larger projects included in the budget for 2023 include:

\$5,000 to install fencing at LaCroix Park;

\$1,500 to repair the veteran’s memorial;
 \$18,500 to install playground LaCroix Park; and
 \$2,500 for repairs at LaCroix Park.

	Budget 2022	Proposed 2023
Recreation & Cultural Services		
Recreation Committee	\$ -	\$ 13,900.00
Parks and Recreation Hall	\$ 19,050.00	\$ 25,300.00
Grounds Maintenance	\$ 1,000.00	\$ 1,500.00
Special Projects	\$ 68,350.00	\$ 27,500.00
	\$ 88,400.00	\$ 68,200.00

Grant Expenses

Grant expenses are detailed below and are offset by the revenues received, with the exception of the Canada Summer Jobs Program as it is a 50% cost share program.

	Budget 2022	Proposed 2023
Grants		
ICIP	\$ 127,060.00	
Seniors Program	\$ 11,170.00	\$ 13,000.00
Modernization	\$ 14,270.00	
Canada Summer Jobs	\$ 8,400.00	\$ 8,680.00
RED Program		\$ 8,500.00
COVID Related	\$ 16,300.00	
Totals:	\$ 177,200.00	\$ 30,180.00

Library

It is important to note that Library Services have not been included in this portion of the budget. The Library Board is obligated to prepare a budget for consideration by the Municipality who may choose what, if any financial or in-kind support they will allocate. The Municipality has not made a direct financial contribution to the Library Board and has opted to provide services in lieu of providing funding. These services include wages, the physical space where the library is located, insurance, financial management and other services as have been required.

Land Use Planning Services

The Municipality relies on the County for these services. From time to time legal advice is needed for land use planning matters and has not been allocated to this service but has been included in General Government.

2022 Actuals

Council and Staff have expressed a goal of passing the budget as early in the year as possible. However, the municipal audited statements will not be available until the Auditor has completed the review and reconciliation of accounts. The estimated surplus provided by the auditor is \$185,000; however the audit is not completely finished at the time of writing.

COVID-19 Impact

At this time, the financial impact of COVID-19 on the United Townships of Head, Clara & Maria continue to be relatively minimal. Budget lines have been adjusted to reflect anticipated loss income to sales, hall rentals, etc. We do not report that there was any variance in taxes paid compared to 2021.