



Budget 2024 Presentation

Jennifer Eve, Treasurer-Deputy CAO
November 30, 2023

Strategic Planning

Building Our Community



- The 2023 Strategic Plan process is a step towards building our community. The Final Strategic Plan will provide roadmap with set objectives and actions to achieve measurable outcomes in the upcoming years.
- The base budget is based on core services such as roads, administration, facilities, environment and fire.
- The 2024 budget additions include steps towards a balance of core services and building our community as a safe, vibrant, and active place to live.



Budget Process

When preparing the budget, staff considered many factors including:

- The past year's actual spending
- Significant analysis of line-by-line operating budget items including trending
- Any new projects that require financing
- Review of priorities – needs vs wants
- Maintaining/increasing the level of service to residents
- Township's Plans – Asset Management, Development Charge Study, etc.

2024 Municipal Pressures

Looking back over the past few years, the Township has had increasing significant financial pressures. Some of these include:

- Decreased funding from the government
- Increased costs - inflation
- Asset Management Gap
- Infrastructure deficits (debentures)
- CVA (lack thereof)- loss of revenue to address inflationary costs
- Employee Retention
- Increase level of service to residents
- Increased insurance costs



Property Assessment

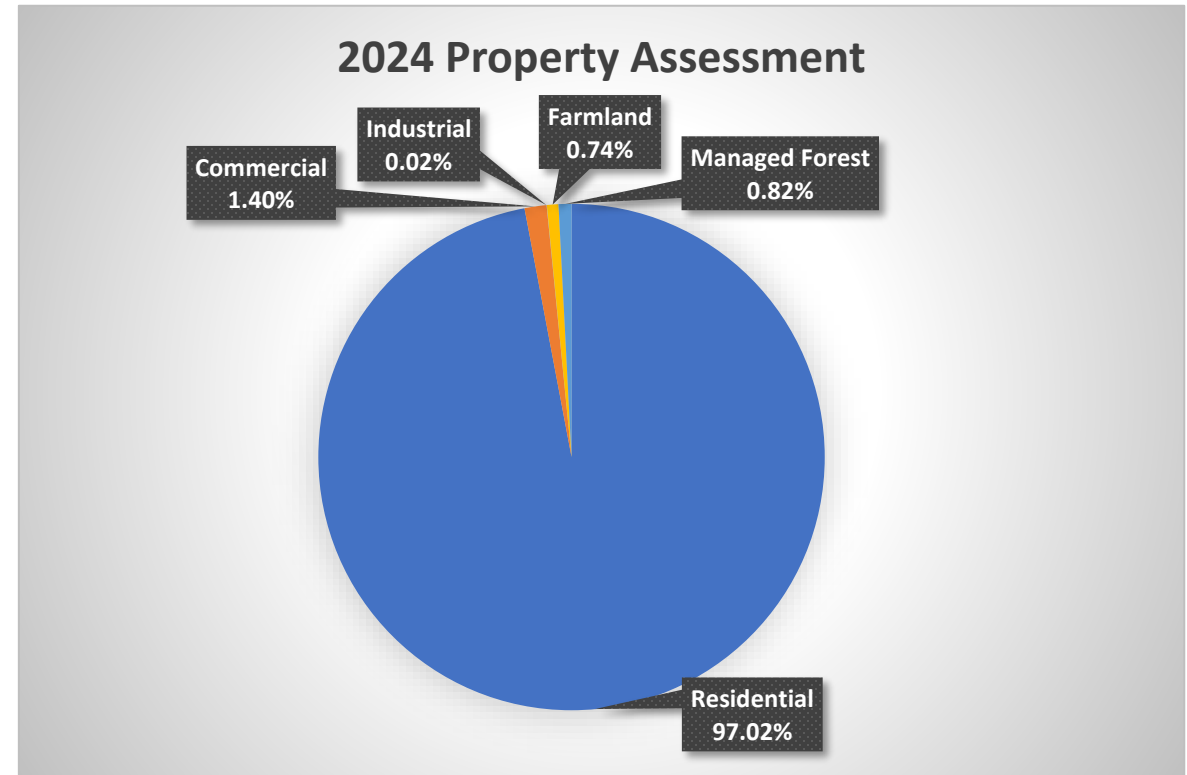
CVA Announcement - Delayed

The Ontario government has continued the postponement of a province-wide property assessment update.

As a result, property assessments for the 2024 property tax years will continue to be based on fully phased-in January 1, 2016 current values.

2024 Property Assessment

- Residential properties account for 97.02% of the Township's property assessment.
- Commercial properties represent 1.40% of the property assessment.
- Managed Forest properties are 0.82% of property assessment
- Farmland properties account for 0.74% of the property assessment.
- Industrial properties are 0.02% of the property assessment.



Municipal Tax Revenue Impact

Based on the 2024 Property Assessment:

- The impact of a 1% Municipal Tax Rate increase on the Township is an additional \$39,278 in revenues.
- For every \$100,000 of assessed value on a residential property, a 1% municipal tax rate increase translates into \$4.50 more in taxes for the year.



Inflationary Rates for Consideration

YEAR	MTR	MTRI	CPI RATE
2024	0.00480859	6.79%	3.3
2023	0.00450282	6.68%	6.5
2022	0.00422077	2.70%	4.9
2021	0.00410998	2.17%	0.7
2020	0.00402273	0.50%	1.7
AVG		3.77%	3.42%
*October to October			

The 5 year average CPI rate is 3.42%. Compared to our 5 year average municipal tax rate increase of 3.77%. This chart emphasizes that our increases have been in line with CPI (cost of inflationary) however do not take into account growth, asset replacement, enhancing level of service to residents.

Levy Requirement

The 2024 Draft Budget reflects a levy requirement of \$4,194,471 which provides additional levy revenue of \$351,111 compared to 2023.

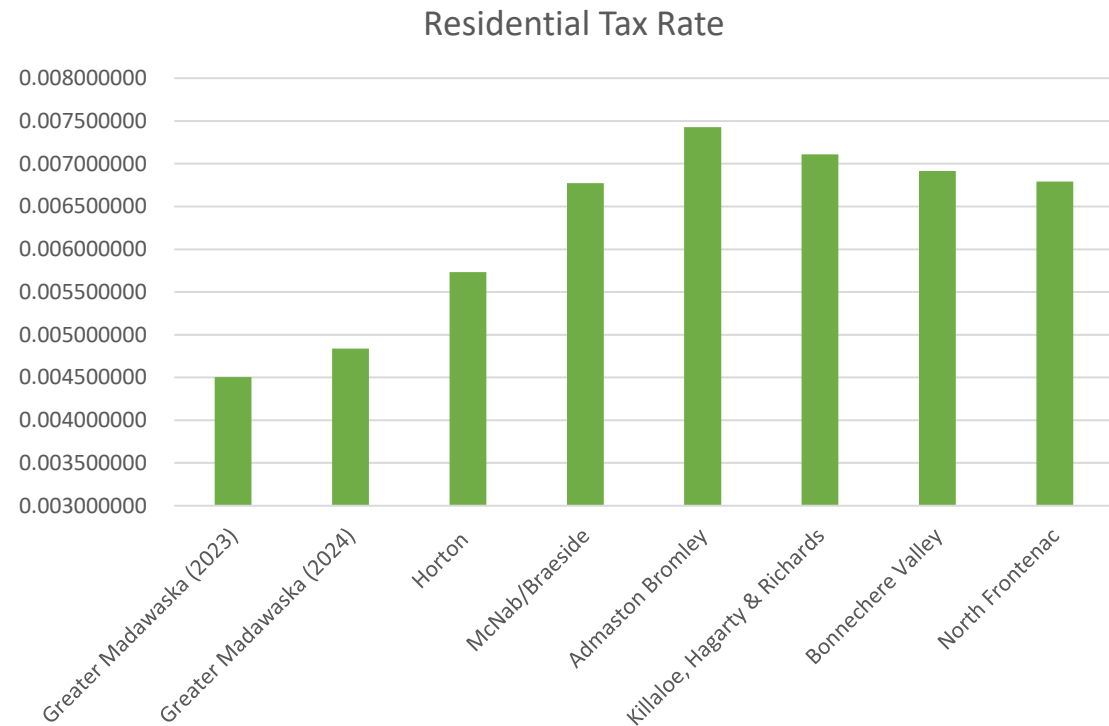
The levy requirement results in a municipal tax rate increase of 6.79%.

1.6% of the tax rate increase is as per the AMP, and another 2.54% is contributed to debt related to AMP projects. Capital Asset replacement alone contributes to 4.14% of our tax rate increase.

The impact of a 6.79% Municipal Tax Rate increase on taxpayers is an annual tax billing increase of \$30.57 per \$100,000 in property assessment.

Residential Municipal Tax Rate Comparison

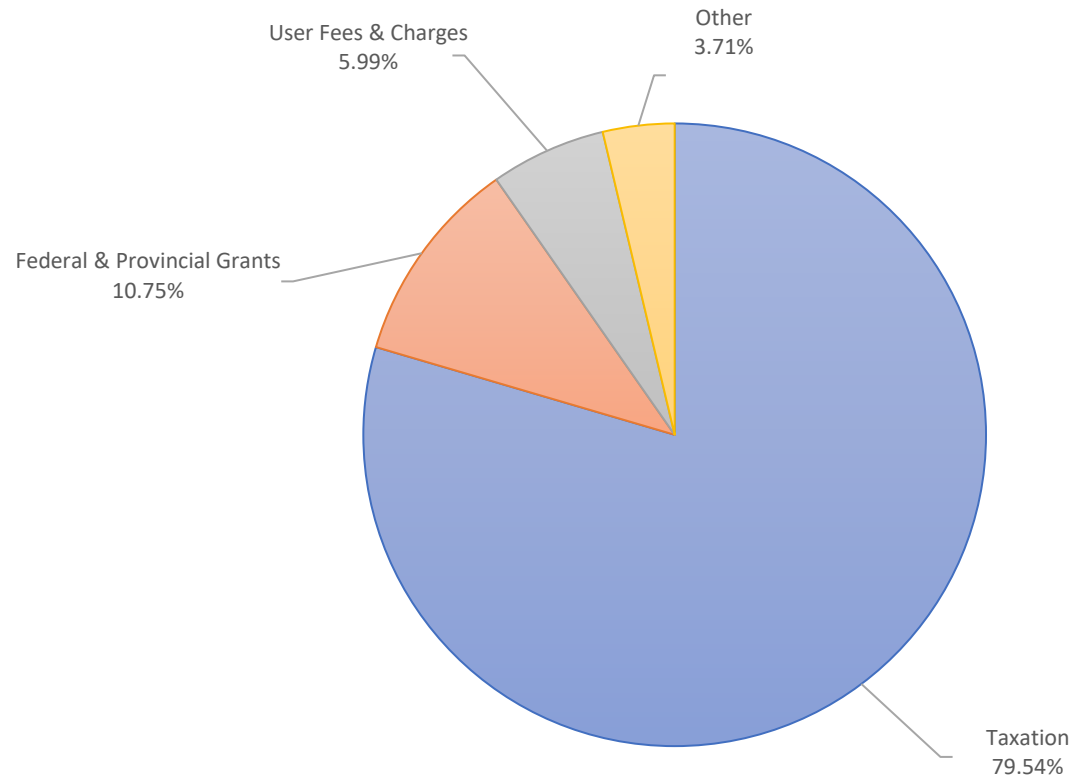
Township	Residential Tax Rate
Greater Madawaska (Current)	0.004502820
Greater Madawaska (Proposed)	0.004808570
Horton	0.005731820
McNab/Braeside	0.006771880
Admaston Bromley	0.007427860
Killaloe, Hagarty & Richards	0.007110780
Bonnechere Valley	0.006914180
North Frontenac	0.006792750



**Comparator rates are based on 2023 tax rates*

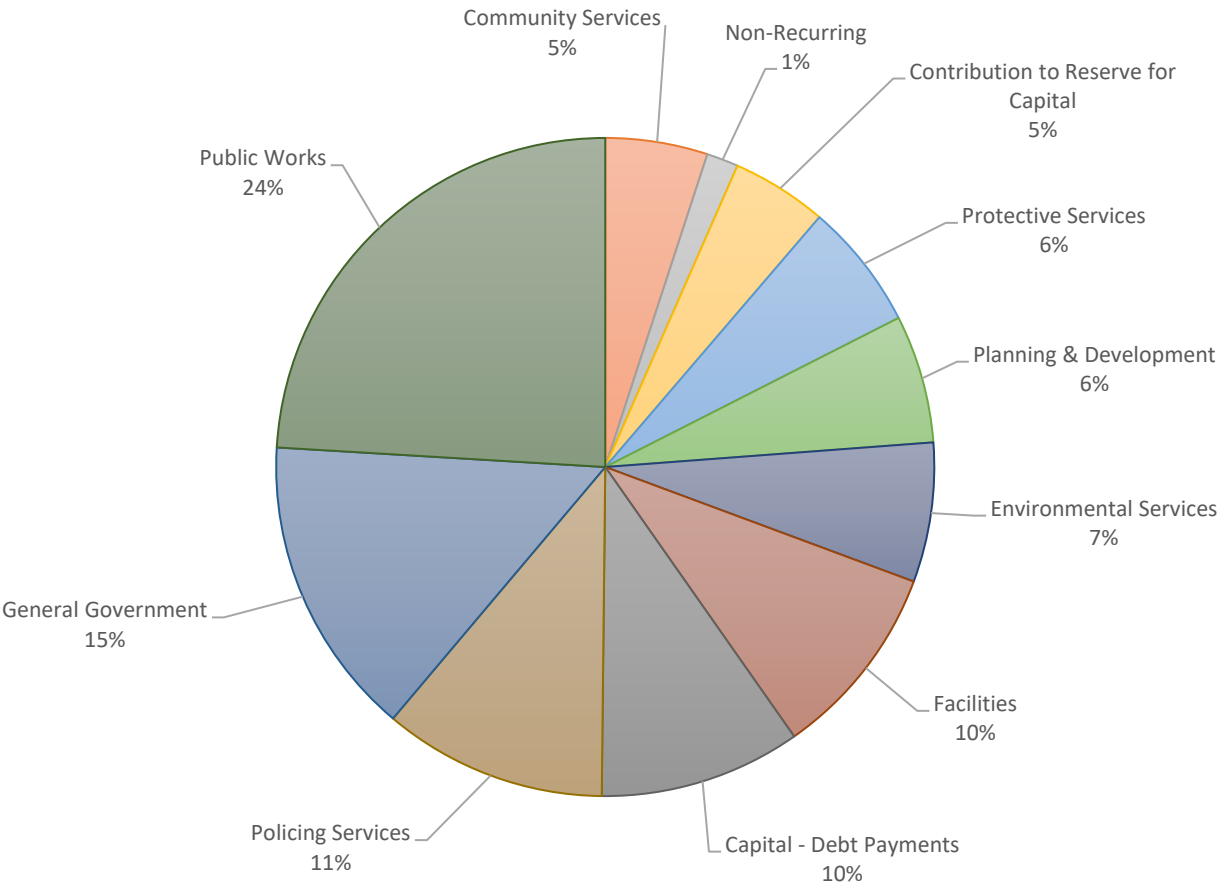
Overall Budget

Operating Revenues



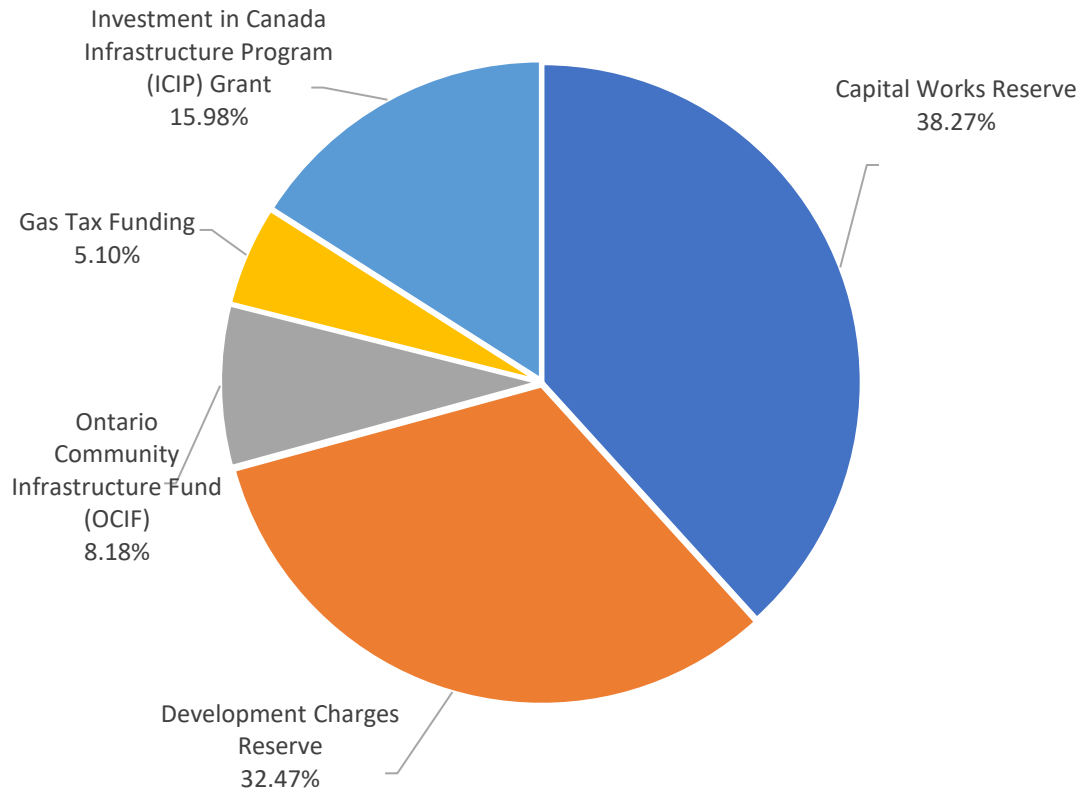
	Budget 2024	Budget 2023	Budget Variance (\$)
OPERATING REVENUES			
Taxation	4,194,471	3,843,360	351,111
Taxation Adjustments/Supplemental	65,000	65,000	0
Payment in Lieu of Taxes (PIs)	859,790	855,500	4,290
Taxation & Tax Associated Revenues	5,119,261	4,763,860	355,401
General Government			
Administration	118,000	111,500	6,500
Ontario Grants Operating	591,400	611,400	(20,000)
Protective Services	24,700	12,903	11,797
Public Works	26,100	26,100	0
Environmental Services	147,000	147,000	0
Facilities	88,460	86,230	2,230
Community Services	25,550	13,500	12,050
Planning & Development	192,900	191,780	1,120
Sub-Total Operating Revenues	6,333,371	5,964,273	369,098
Non-Recurring Items	100,210	231,050	(130,840)
Total Operating Revenues	6,433,581	6,195,323	238,258

Operating Expenses



	Budget 2024	Budget 2023	Budget Variance (\$)
OPERATING EXPENSES			
General Government	951,660	906,500	45,160
Protective Services	401,320	320,500	80,820
Police Services	706,871	713,696	(6,825)
Public Works	1,547,440	1,542,750	4,690
Environmental Services	441,000	420,350	20,650
Facilities	618,050	617,890	160
Community Services	323,280	292,427	30,853
Planning & Development	404,606	373,040	31,566
Sub-Total Operating Expenses	5,394,227	5,187,153	207,074
Non-Recurring Items	100,210	231,050	(130,840)
Capital - Debt Payments	636,914	537,120	99,794
Capital - Contribution to Reserves	302,230	240,000	62,230
Total Operating Expenses	6,433,581	6,195,323	238,258

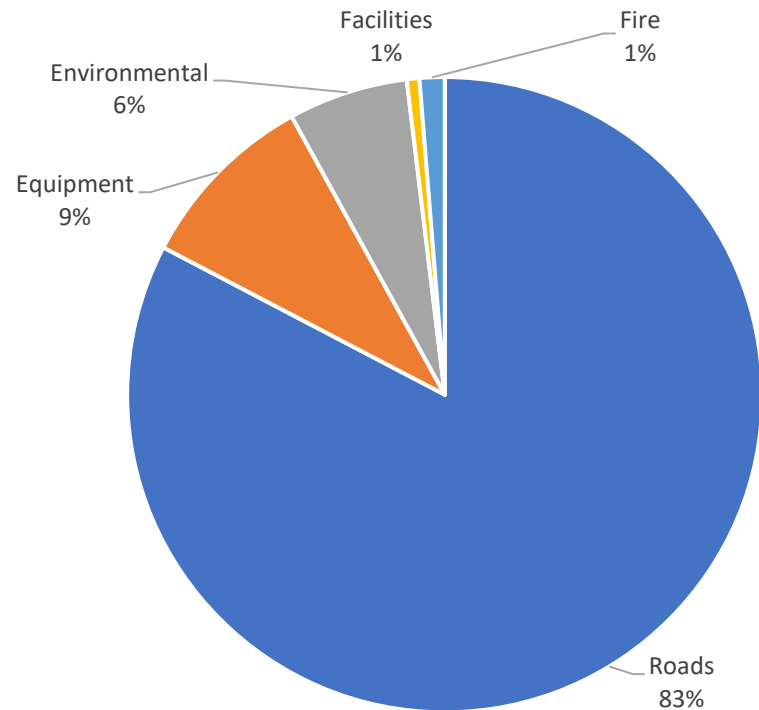
Capital Revenues



Capital Revenues

Capital Works Reserve	599,528
Development Charges Reserve	508,556
Ontario Community Infrastructure Fund (OCIF)	128,204
Gas Tax Funding	79,849
Investment in Canada Infrastructure Program (ICIP)	250,311
Total Capital Revenues	1,566,448

Capital Expenditures



Capital Expenditures

Roads	1,294,998
Equipment	146,000
Environmental	95,450
Facilities	10,000
Fire	20,000
Total Capital Expenditures	1,566,448

Operating Budget

Taxation

Taxation	2024 Budget	2023 Budget	Increase/ (Decrease)
Taxation (Levy)	4,194,471	3,843,360	351,111
Taxation - Supplementary and Tax Adjustments	65,000	65,000	-
Payments-in-Lieu-of- Taxation (PILs)	859,790	855,500	4,290
Total Taxation Revenue	5,119,261	4,763,860	355,401

Taxation Changes

- The levy increase includes a 6.79% tax rate increase and a 2.35% growth in assessment.
- Taxation supplementary and tax adjustments are in-year adjustments to assessments, which have been adjusted to reflect trending.

Corporate Services

Corporate Services	2024 Budget	2023 Budget	Increase/ (Decrease)
Revenues	709,400	722,900	(13,500)
Expenses	951,660	906,500	45,160
Net Operating Costs	(242,260)	(183,600)	58,660

Corporate Services Changes

- Revenues for penalties/interest, bank interest, and special permits have been increased to reflect trending.
- Ontario Municipal Partnership Fund (OMPF) reduced based on updated funding allocation (\$20,000)
- Council expenses increased for interest in conferences
- Wages and benefits include employment agreement adjustments, COLA of 3%, and progressions along the pay grid.
- Admin- Contracted Services has increased to reflect the shared AMP Coordinator Position with Whitewater Region Township, Admaston Bromley, Bonnechere Valley
- Cyber Insurance has decreased to reflect actuals plus a projected 10% increase
- Decrease staff development and Health & Safety training to reflect actual trending

Protective Services

Protective Services	2024 Budget	2023 Budget	Increase/ (Decrease)
Revenues	24,700	12,903	11,797
Expenses	1,108,191	1,034,196	73,995
Net Operating Costs	(1,083,491)	(1,021,293)	62,198

Protective Services Changes

- Additional revenue for cost recovery of fire services.
- 2024 budget direction included the shift from a part-time to full-time fire chief. The increase in Fire wages reflects this change and COLA of 3%.
- Software fees include applications used for communication and responding to calls.
- Policing decreased by \$6,825 based on the OPP invoicing for 2023.

Public Works

Public Works	2024 Budget	2023 Budget	Increase/ (Decrease)
Revenues	26,100	26,100	-
Expenses	1,547,440	1,542,750	4,690
Net Operating Costs	(1,521,340)	(1,516,650)	4,690

Public Works Changes

- Wages and benefits include COLA of 3%, progressions along the pay grid. These lines include the overall cost of Public Works staffing.
- Road (RD) Wages Transfers allocate costs to other departments and Capital Projects. The capital allocation fluctuates based on capital road projects.
- Clothing increases to account for increased costs for safety equipment for current personnel.
- Sweeping increase to reflect trending.
- Decreased Roads- Fleet to reflect overall trending of group.

Environmental Services

Environmental Services	2024 Budget	2023 Budget	Increase/ (Decrease)
Revenues	147,000	147,000	-
Expenses	441,000	420,350	20,650
Net Operating Costs	(294,000)	(273,350)	20,650

Environmental Services Changes

- Shift in revenues due to Black Donald expansion in 2024.
- Wages and benefits include COLA of 3%, and progressions along the pay grid.
- Telephones have been adjusted to reflect cell phone usage.
- Reallocated contracted serviced from Black Donald Site to Norway Lake site to reflect increase usage and tipping fees.
- Griffith Site Engineering Fees have been increased to account for the Design and Operation Report mandatory by Ministry of Environment.
- Decrease in bin repairs are a result of new bins purchased over past few years resulting in less maintenance.

Facilities

Facilities	2024 Budget	2023 Budget	Increase/ (Decrease)
Revenues	88,460	86,230	2,230
Expenses	618,050	617,890	160
Net Operating Costs	(529,590)	(531,660)	(2,070)

Facilities Changes

- Rent revenues increased slightly based on individual agreements.
- Barnet Cottage rental increased due to trending.
- Wages and benefits include COLA of 3%, and progressions along the pay grid.
- Insurance has been increased by 2023 actuals plus 10%
- Minor adjustments throughout buildings due to efficiencies.

Community Services

Community Services	2024 Budget	2023 Budget	Increase/ (Decrease)
Revenues	25,550	13,500	12,050
Expenses	323,280	292,427	30,853
Net Operating Costs	(297,730)	(278,927)	18,803

Community Services Changes

- The Township's goal was to provide an increase of service to residents relating to programming.
- As per 2024 budget direction a new position has been included. The position would focus on economic development, tourism, and recreation.
- As a result of the new position we have included an increase to revenues in programming. This revenue is expected to be a cost recovery of the expenses included in the recreation portion of budget.

Planning & Development

Planning & Development	2024 Budget	2023 Budget	Increase/ (Decrease)
Revenues	192,900	191,780	1,120
Expenses	404,606	373,040	31,566
Net Operating Costs	(211,706)	(181,260)	30,446

Planning & Development Changes

- Revenues for planning and building have slightly changed. 2023 actuals are lower than projected however, 2024 staff expect these revenues to return to budgeted values.
- New building fee's were implemented in the User Fee by-law updated in September of 2023. Revenues associated with the new fees are expected to project in the 2024 budgeted figures.

Non-Recurring

Non-Recurring	2024 Budget	2023 Budget	Increase/ (Decrease)
Revenues	100,210	231,050	(130,840)
Expenses	100,210	231,050	(130,840)
Net Operating Costs	-	-	-

Non-Recurring Items

- This section includes non-recurring items such as plans and reviews and projects that are not considered capital or annual operating expenses.
- In 2024, we have included the following items:
 - Finance system – continuation of the implementation of finance program, initiated in 2022 to be completed in 2024.
- The projects listed above are funded through non-conditional modernization grant funding.

Reserve Contribution

Reserve	2024 Budget	2023 Budget	Increase/ (Decrease)
Contribution to Reserves	302,230	240,000	62,230
Net Reserve Contribution	(302,230)	(240,000)	62,230

Reserve Contribution Change

- The 2022 Asset Management Plan (AMP) identified an annual capital infrastructure deficit of \$1.5 million.
- Based on a 20-year recommended timeframe for eliminating the annual infrastructure deficit, the AMP recommended a 1.6% tax revenue increase to fund the Township's asset management program.
- The adjustment to the contribution to reserve for Capital Works has been increased to reflect this need (\$62,230).
- As per the AMP, the 1.6% increase over 20 years has been implemented to close the AMP gap , however staff have recognized that 20 years is not ideal and should only be spread over a 10 year timeframe as recommended by Watson & Associates. The recommendation for a higher AMP contribution % will be brought forward in a future report to council to close the gap from 20 years to 10 years.

Cost of Borrowing

Cost of Borrowing	2024 Budget	2023 Budget	Increase/ (Decrease)
Debt Interest	135,857	113,360	22,497
Debt Principle	501,057	423,760	77,297
Net Cost of Borrowing	(636,914)	(537,120)	99,794

Cost of Borrowing

- Increase in interest and principle on serial debentures.
- The Capital Budget includes a debenture of \$773,000 for capital projects that were finalized in Q4 of 2023
- In Q4 of 2024 and Q3 of 2025, two debentures will mature

Capital Budget

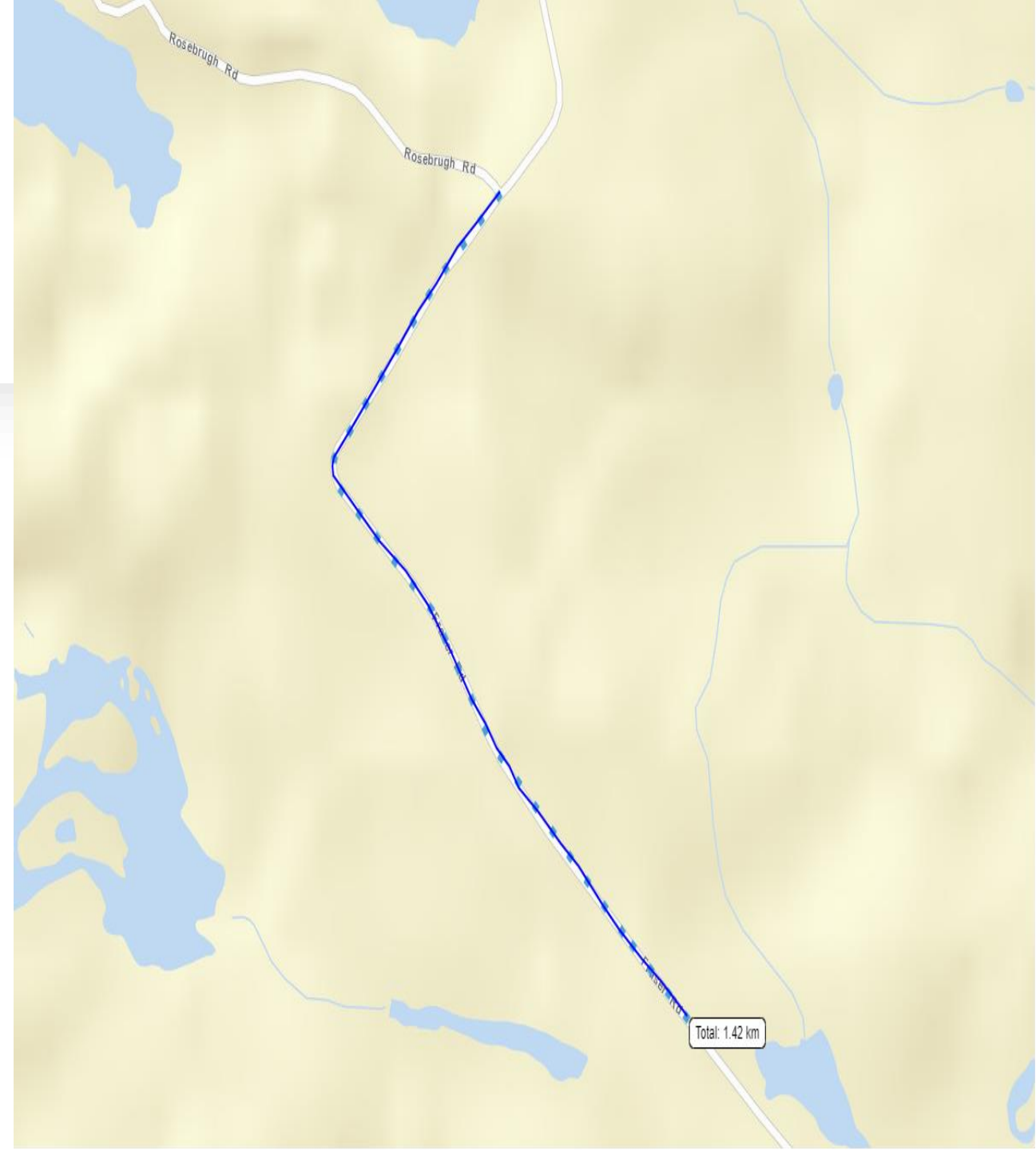
Capital Projects

Project	Source	2023 Capital Items WIP to 2024	2024 Capital Items Budget	Total Capital Cost
Roads				
Fraser Rd (LCB)	AMP		179,376	179,376
Matawatchan Road (Upgrade LCB to HL4)	AMP		583,264	583,264
Tatty Hill Engineering & Design - Various Roads			76,977	76,977
Ferguson Lake Road			15,000	15,000
Hutson Lake Road		119,664	268,286	268,286
Matawatchan Road 2023-02		52,431		52,431
Roads Total		172,095	1,122,903	1,294,998
Vehicles & Equipment				
V#4 2015 Chevy 1 Ton	AMP		110,000	110,000
V#27 2014 John Deere Excavator Maintenance (Chains, Sprockets, Idler Wheels, Rollers, Bolts)			18,000	18,000
Grass Cutting Mower (Attachment for V#28 Tractor)			18,000	18,000
Vehicles & Equipment Total		0	146,000	146,000

Capital Projects Highlights

Fraser Road (LCB)

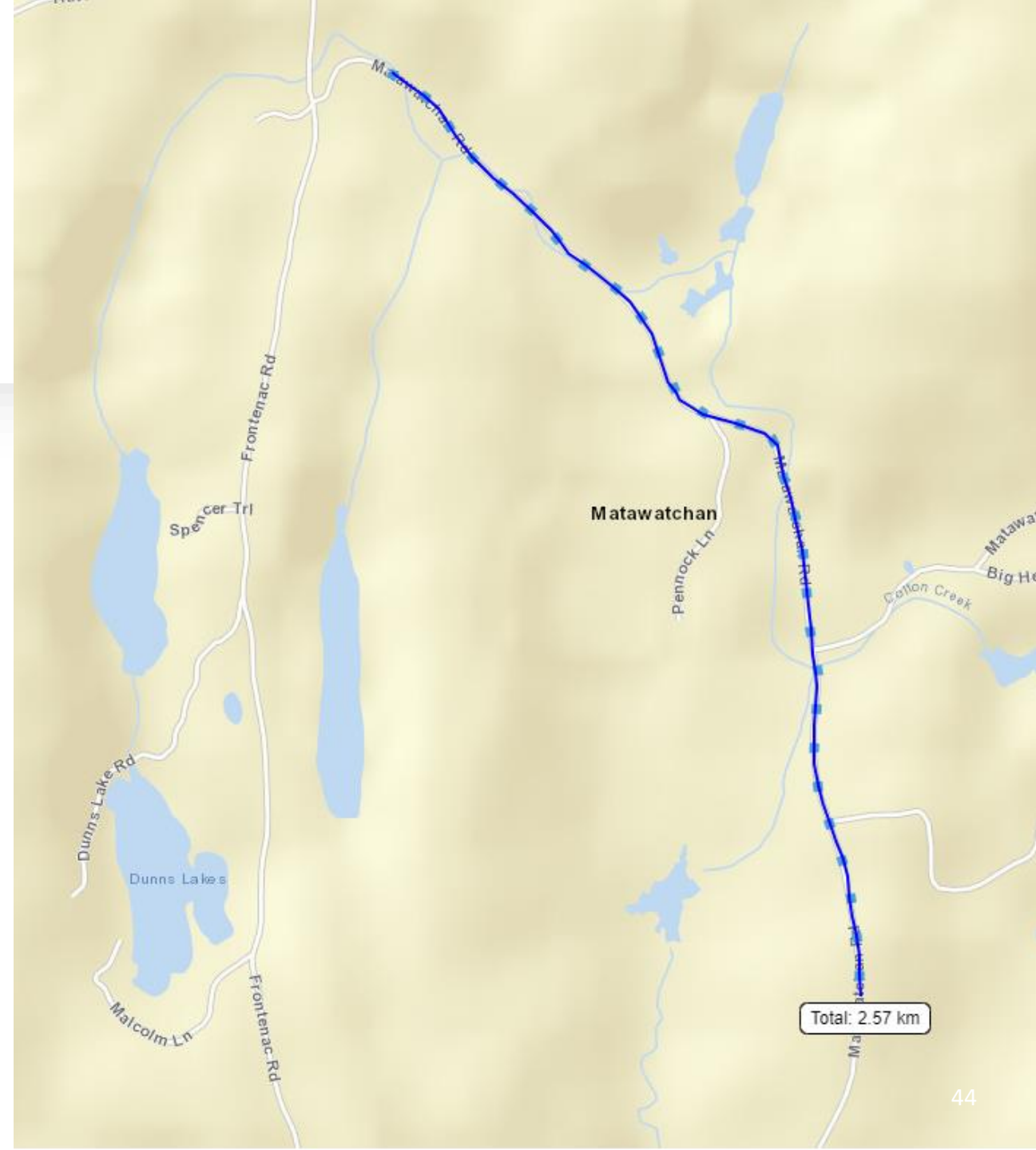
- **Description of Works:**
 - The work involves ditching, new culverts, pulverizing old surface treatment, adding gravel and applying new surface treatment (LCB)
- Total Length of Project – 1.4km



Capital Projects Highlights Cont'd

Matawatchan Road (Upgrade LCB to HL4)

- **Description of Works:**
 - The work involves ditching, new culverts, guiderail, pulverizing old surface treatment, adding gravel, and upgrading from LCB to HL4 including the granular seal of the guiderail and sharp curves.
- Total Length of Project – 2.5 km



Capital Projects

Project	Source	2023 Capital Items WIP to 2024	2024 Capital Items Budget	Total Capital Cost
Environmental				
Blue Bins	AMP		15,000	15,000
C&D Waste Roll Off #2	AMP		13,000	13,000
Black Donald Site Expansion (Well Repair and Feasibility Study)	2023 Budget	25,000	42,450	67,450
Environment Total		25,000	70,450	95,450
Facilities				
Charbonneau Ball Diamond - Bleachers	AMP		10,000	10,000
Facilities Total		0	10,000	10,000
Fire				
Safety Equipment PPE			20,000	20,000
Fire Total		0	20,000	20,000
Total Capital		197,095	1,369,353	1,566,448

Debentures – Tax Funded

Debentures – Tax Funded

By-Law	Projects	Debenture Year	Original Value	Maturity Date	Interest Rate	Debt as of 12/31/24
By-Law 35-2015	<ul style="list-style-type: none"> — 19 Parnell St — Tandem Snow Plow 	2016	\$577,000	Aug. 2025	2.31%	57,700
By-Law 20-2019	<ul style="list-style-type: none"> — Fire Rescue Van — Barryvale Road — Backhoe — Excavator — Tandem Snow Plow 	2018	\$1,106,613	Apr. 2029	2.74%	497,976
By-Law 42-2022	<ul style="list-style-type: none"> — Various Projects 	2022	\$2,057,000	2032	4.47%	1,628,000
By-Law 36-2023	<ul style="list-style-type: none"> — Flat Road Resurfacing — Loader — Tandem Plow Truck — Used Dump Truck 	2024	\$773,000	2033	4.89%	695,700
					Total	2,879,376

Debentures – Development Charge Funded

Debentures – DC Funded

- The Development Charge Reserve Fund is in a deficit, which is attributed to significant growth-related projects to be completed prior to the collection of the DCs to fund the projects.
- Up to 2022, the Development Charge was significantly undervalued, reducing the Township's ability to fund growth-related projects. In 2022, Council approved a higher Development Charge. The charge was approved at 90% and phased in over 4 years; fully phased to 90% by 2025.
- As per the DC Study, there are capital projects that should proceed prior to the collection of DCs. Staff recommends proceeding with a DC-funded debenture to fund Matawatchan Road in 2024. The DCs collected will fund the debenture payments. Another option is to delay projects, which is not recommended for certain projects due to the deterioration of the assets.
- The debenture will be fully funded through the Development Charge Reserve Fund, with no impact on taxation.

Reserve & Reserve Funds

Reserve & Reserve Fund Schedule

Reserves	Ending Balance 2023	Ending Balance 2024
Working Funds	353,723	353,723
Capital Works	759,991	462,693
Landfill Post Closure	340,000	340,000
General Operating Contingency	200,000	200,000
Grant Funding	193,186	92,976
Recreation and Culture	80,602	80,602
		-
Other and unspecified (Prior year surplus)	-	150,000
Total Reserves	1,927,502	1,679,994
Reserve Funds		
Park Reserve Fund	23,341	23,341
Shoreline Reserve Fund	4,280	4,280
Development Charge Reserve Fund	(336,786)	(0)
Total Reserve Funds	(309,165)	27,621
Total Reserve and Reserve Funds	1,618,337	1,707,615

Next Steps

- Council review and provide feedback
- Staff adjust the 2024 Budget based on Council's feedback
- Special Council Meeting for Staff scheduled for December 20, 2023 to present updated 2024 Budget to Council
- Additional Council Meetings as required
- Council adopts the 2024 Budget January 18, 2024

Questions?