

# **2024 Municipal Budget**

## **Corporation of the Town of Englehart**

Prepared by: Jennifer DeLenardo, Treasurer

July 17, 2024

For Presentation to Council

July 17, 2024

## **BUDGET REVIEW PROCESS**

Staff have been reviewing and preparing the 2024 operating and capital budgets for the past couple of months. Changes in staffing has delayed this process.

The main goal when preparing the budget is to remain fiscally responsible while maintaining current levels of service, address critical infrastructure needs and mitigate the impact to the taxpayers.

The 2023 annual average CPI inflation rate was slightly over 3% compared to 6.8% for 2022, and borrowing rates for 2022 and 2023 were more than double what they were compared to 2021.

The Town has pre-committed itself to a significant amount of capital (carryovers from 2023) and new capital for 2024 that will require long-term debt. At the end of 2023, the Town of Englehart has \$0 in long term debt payments and therefore is in a good net debt position.

The long-term debt obligations will be debentured when required and anticipated towards the end of 2024. Rates are starting to soften slightly.

## **BUDGET**

The annual budget was prepared assuming existing service levels and increases due to contractual and legislated obligations. For 2024, we are proposing a total combined budget close to \$8,334,000.00.

This represents \$3,834,625.00 of capital works.

See Appendix A for the 2023/2024 capital summary.

The key highlights to this budget are:

- Ontario Municipal Partnership Fund (OMPF): Same as 2023 at \$813,500 in accordance with the 2024 Allocation Notice.
- Canada Community-Building Fund CCBF (formerly Gas Tax): Declined by \$7,219. Total 2024 allocation is \$90,673.31

- NORDS Funding for Road Projects in the amount of \$77,338.00
- OCIF Funding for Roads or Community Projects in the amount of \$143,457.00
- Insurance: Increase overall premium \$9,735.00 over last year (7.9%)
- DTSSAB – immaterial increase of \$1,425.00
- Policing – immaterial decrease of (\$1,171)
- Public Health (THU) increase \$8,627 includes participation in CSWB Plan District Plan of \$4,917.00 allocation

## 2024 Municipal Budget Overview

### Administration & Finance

Department	2023 Actual	2024 Budget
Revenues		
Municipal Tax Levy	1,970,337.41	2,033,478.12
Education Levy	319,210.24	319,348.00
Provincial Costs	911,722.37	905,373.31
General Government	459,996.11	279,408.00
<b>Total</b>	<b>3,661,266.13</b>	<b>3,537,607.43</b>
Expenses		
Education Levy	319,210.24	319,348.00
Provincial Costs	18,430.68	18,571.36
Council	98,676.58	71,570.00
General Government	703,325.22	643,750.00
Public Health Unit	74,204.50	82,832.00
DTSSAB	312,495.00	313,920.00
<b>Total</b>	<b>1,526,342.22</b>	<b>1,449,991.36</b>

## Protective Services

Department	2023 Actual	2024 Budget
Revenue		
Animal Control	870.40	400.00
Building Inspections	9,313.39	6,000.00
<b>Total</b>	<b>10,183.79</b>	<b>6,400.00</b>
Expenses		
Animal Control	0.00	5,000.00
Fire Department	77,519.22	97,000.00
Police & 911	319,583.32	319,242.04
By-law Enforcement	705.20	2,000.00
Building Inspections	13,860.32	7,000.00
<b>Total</b>	<b>411,668.06</b>	<b>430,242.04</b>

## Economic Development, Planning & Zoning

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	2023 Actuals	2024 Budget
Expense	76,551.11	102,632.00
<b>Total</b>	<b>76,551.11</b>	<b>102,632.00</b>

## Operations & Roads

<b>Department</b>	<b>2023 Actual</b>	<b>2024 Budget</b>
Revenue		
Public Works	794,922.28	345,870.00
Cemetery	21,891.85	141,337.70
<b>Total</b>	<b>816,814.13</b>	<b>487,207.70</b>
Expenses		
Public Works	616,185.96	734,300.00
Roads	831,673.31	658,000.00
Streetlighting	27,984.86	35,000.00
Cemetery	79,957.58	128,237.70
<b>Total</b>	<b>1,555,801.71</b>	<b>1,555,537.70</b>

## Community Services

Department	2023 Actual	2024 Budget
Revenue		
Special Events	24,668.95	38,000.00
Recreation (Community Services)	28,692.06	60,210.00
Arena Complex (Arena & Community Hall)	244,402.86	323,934.00
Parks & Playgrounds	170,022.38	5,000.00
Pool	104,554.83	172,387.00
Gym	37,209.50	37,300.00
Library	100,016.69	71,565.00
Museum	4,996.91	4,194.00
<b>Total</b>	<b>714,564.18</b>	<b>712,590.00</b>
Expenses		
Special Events	26,502.72	46,500.00
Recreation (Community Services)	122,690.82	133,000.00
Arena Complex (Arena & Community Hall)	408,905.65	620,812.03
Parks & Playgrounds	307,331.23	79,500.00
Pool	196,349.56	201,940.00
Gym	18,137.62	20,000.00
Library	114,287.60	71,565.00
Museum	21,963.42	31,785.00
<b>Total</b>	<b>1,216,168.62</b>	<b>1,205,102.03</b>

Water & Wastewater

Department	2023 Actual	2024 Budget
Revenue		
Wastewater (Lagoon & Sewer)	160,319.06	163,613.00
Water	514,159.07	3,139,028.91
<b>Total</b>	<b>674,478.13</b>	<b>3,302,641.91</b>
Expenses		
Wastewater (Lagoon & Sewer)	120,566.81	163,613.00
Water	608,272.99	3,139,028.91
<b>Total</b>	<b>728,839.80</b>	<b>3,302,641.91</b>

# Waste Management

Department	2023 Actual	2024 Budget
Revenue		
Waste Collection Services	214,021.43	229,133.36
Landfill Site	155,933.13	58,400.00
<b>Total</b>	<b>369,954.13</b>	<b>287,533.36</b>
Expenses		
Waste Collection Services	216,237.27	226,800.00
Landfill Site	48,979.01	60,733.36
<b>Total</b>	<b>265,216.28</b>	<b>287,533.36</b>

## **CAPITAL**

The municipality's capital budget represents the investment to purchase, create, repair and rehabilitate assets used to provide services to the community. The main funding sources of these assets include government grants, private partners and donors, reserves, transfer from the tax levy and long-term debt.

## **LONG-TERM DEBT**

The Town currently has no debt related to capital infrastructure. After Capital investment for 2024, with this budget, it is expected to have \$75,000.00 annual debt repayment for the period of the debenture.

The Province of Ontario calculates the Annual Repayment Limit (ARL) for municipalities, based on the municipalities' calculation of revenues and debt servicing costs. For the year 2024, the Town's ARL statement indicates that it has a repayment limit of approximately \$687,945.

## **RESERVES AND RESERVES FUNDS PROJECTIONS**

Currently we have \$3,150,486.00 in Reserve Funds. It is projected that we will use \$735,790.00 in reserves which consists of working capital in the amount of \$380,867.00 and water in the amount of \$344,923.00 for a total of \$735,790.00. In 2023, we used \$255,000.00 in reserves.

The following includes a summary of the 2024 Proposed Capital Budget

Project Description	Estimated 2024 Cost	Estimated 2024 Project Funding	Reserves	Loans	Estimated PT
80 Niche Columbarium (x2) (approved in 2023)	\$80,337.70		\$80,337.70		
Generator (downpayment \$38,432.50 in 2023 %25) \$153,730 Total Cost	\$117,000.00		\$117,000.00		
LED Display	\$40,000.00	Frogs Breath – under review – \$40,000.00			
Hockey Scoreboard	\$16,934.00	Frogs Breath – 16,934.00			
Accessible Arena Doors	\$87,314.00	Inclusive Community Grants - \$60,000.00			\$27,314.00
Pool Liner (30% deposit paid Oct 2023 \$62,277.69)	\$103,040.00	NOHFC \$103,040.00			
Equipment Upgrades and Replacement	\$10,000.00		\$10,000.00		
Pick-up Replacement	\$75,000.00			55,000.00 Sale of Old truck \$20,000.00	
Asphalt/Concrete	\$180,000.00	NORDS \$77,338.00 + CCBF \$90,673.00	\$12,000.00		
8 <sup>th</sup> Ave Project -Storm Sewer Replacement	\$315,000.00	OCIF - \$143,457.00	\$171,529.00		
Water Treatment Plant Upgrade	\$2,810,000.00	ICIP: Green Stream - \$1,691,205.91	\$344,923.00	\$700,000.00	
<b>Total:</b>	<b>\$3,834,625.70</b>	<b>\$2,222,647.91</b>	<b>\$735,789.70</b>	<b>\$755,000.00</b>	<b>\$27,314.00</b>

**Capital Projects deferred to 2025**

Olympia(approved in 2023-revised quote required)	\$185,000.00 (defer to 2025)
Fencing Replacement & Upgrades at Ball Fields	\$65,000.00 (defer to 2025)
Accessible Playground & Building Accessibility	\$25,000.00 (defer to 2025)

## **TAXATION**

**We are recommending a 3.0 % levy increase which represents a total additional tax levy from all classes of \$61,797.01. The impact to each tax class varies. Below are scenarios on the median property.**

The Municipal Property Assessment Corporation (MPAC) is responsible for accurately assessing and classifying all properties in Ontario in compliance with the Assessment Act and regulations set by the provincial government. According to the data available through MPAC, the assessment for the median residential property in Englehart is valued at \$142,000.00.

The tax increase on the median residential property would be \$67.69/year.

The Government of Ontario establishes the province's assessment and taxation regulations and for 2024, property assessments continue to be based on January 1, 2016 values. The Minister of Finance has not made any announcements at this time regarding the next update to property assessment values

The recommendation is for no less than a 3% increase to the tax levy to balance the proposed budget.

We are seeking final recommendation from Council on the tax levy as well as approval of the budget in principle for final consideration at the July 24, 2024 meeting.

## **WATER, SEWER AND GARBAGE RATES**

We are recommending a 2% increase across the Water, Sewer & Garbage rates which is less than overall CPI. The impact to residential households is as follows:

Sewer rates total increase of \$3.40/year

Water rates total increase of \$6.63/year

Garbage rates total increase of \$3.14/year

## RECOMMENDATIONS

- **Recommendation #1:** New debt for capital projects: (Refer to Capital Summary) Water Treatment Plant Upgrade \$700,000.00 and Public Works Pick-up replacement \$55,000.00.
- **Recommendation #2:** 3% overall levy increase for taxes and 2% for water, sewer and garbage rates.
- **Recommendation #3:** defer the following projects: Ice Resurfacer \$180,000.00, Fencing Replacement and Upgrades at ball fields \$65,000.00 and Accessible Playground & building accessibility \$25,000.00. Arena doors would be dependent on funding.