

# THE CORPORATION OF THE TOWNSHIP OF HORTON

## Public Budget Meeting

Via Zoom  
April 20<sup>th</sup>, 2021  
4:00 p.m.

1. Call to Order & Roll Call
2. Confirmation of Public Meeting Agenda
3. Declaration of Pecuniary Interest
4. Purpose of Public Meeting – CAO/Clerk
5. CAO/Clerk’s Report on Notice
6. Delegations - None
7. Staff Reports – 2021 Budget Presentation **PG.2**
8. Staff Report – 2021 Capital Financing **PG.22**
9. Staff Report – PSAB Budget Report **PG.23**
10. Council Members Questions/Concerns
11. Public Questions/Concerns  
– No members of the Public reached by the prescribed deadline to take part in the Public Meeting
12. Recommendations:  
*THAT the Recommendations be forwarded to the Regular Council Meeting immediately after the April 20<sup>th</sup> Public Meeting for adoption of the 2021 Budget.*
13. Adjournment

**RETURN TO AGENDA**

# HORTON TOWNSHIP

# 2021

## Budget Presentation



[RETURN TO AGENDA](#)



# PRESENTATION OVERVIEW

THE BUDGET PROCESS

2021 FUNDING

ASSET MANAGEMENT & LONG-TERM FINANCIAL STRATEGIES

DEPARTMENTAL SUMMARIES

OPERATING & CAPITAL SUMMARIES

RESERVES AND FUNDING APPLICATIONS

PROPERTY ASSESSMENT & TAXES

RETURN TO AGENDA

# THE BUDGET PROCESS



**BUDGET  
REQUEST  
WORKSHEETS**



**STAFF  
REVIEWED  
& AMENDED**



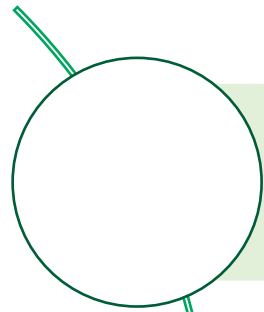
**DEPARTMENTAL  
SUMMARY  
CREATED**

[RETURN TO AGENDA](#)

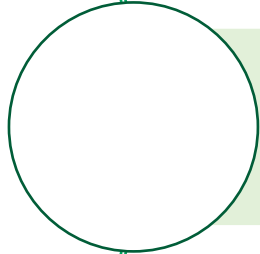




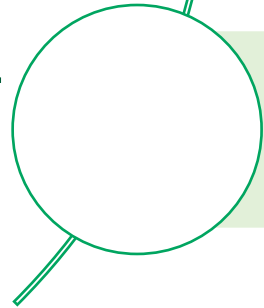
# 2021 FUNDING



OMPF - \$238,000



GAS TAX - \$179,582



OCIF - \$85,090

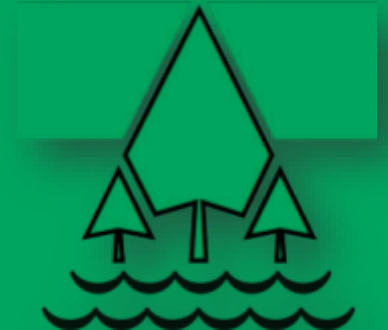




# ASSET MANAGEMENT & LONG-TERM FINANCIAL STRATEGIES

- Our Asset Management Plan is a financial tool used to guide the municipal decision making process
- Staff reviews the 10-Year Capital Forecast
- Next deadline for compliance - July 1, 2022

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PHASE 1 – JULY 1, 2019



PHASE 2 – JULY 1, 2022 ★★★



PHASE 3 – JULY 1, 2024

# BUDGET HIGHLIGHTS

## THOMPSONHILL STREETS ENGINEERING

**INCREASED  
RECYCLE  
CONTRACT**

**REHAB OF  
WHITTON  
ROAD**  
(South Side)

**1 TON  
WITH  
PLOW**

**OPP  
BILLING  
DECREASE**

**22%  IN INSURANCE PREMIUMS**



# GENERAL GOVERNMENT

**2020 PROPOSED**

**\$2,084,428**

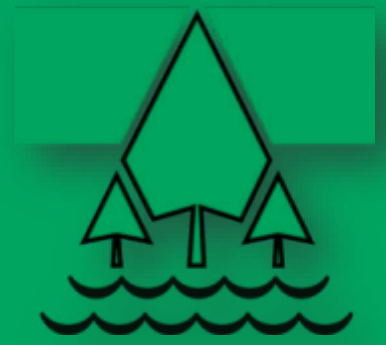
**2021 PROPOSED**

**\$2,177,167**

**4% VARIANCE OVER 2020  
= \$92,739**

- Estimated growth of \$19,458 and 2% Levy increase
- Furnace upgrade for the office, depending on funding
- Office Debenture payment of \$16,127
- Increase in Insurance of 22%

**RETURN TO AGENDA**



# TRANSPORTATION

**2020 PROPOSED**

**\$1,004,857**

**2021 PROPOSED**

**\$1,038,230**

**3.3% VARIANCE OVER 2020 = \$33,373**

- Slight increase in Utilities
- Debenture Payments of: Garden of Eden \$27,785, Johnston Road \$24,500, Thomson Road \$50,000
- Whitton Road project from OCIF, Gas Tax, Reserves & Development Charges
- 22% increase in Insurance

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# ENVIRONMENTAL SERVICES

**2020 PROPOSED**

**\$231,004**

**2021 PROPOSED**

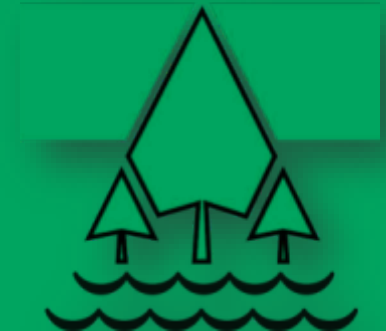
**\$337,328**

**46% VARIANCE OVER 2020**

**= \$106,324**

- Substantial increase due to curbside recycling

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# FIRE DEPARTMENT

**2020 PROPOSED**

**\$148,098**

**2021 PROPOSED**

**\$161,220**

**8.9% VARIANCE OVER 2020**

**= \$13,122**

- Addition fittings on 4<sup>th</sup> Apparatus
- Increased Maintenance

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# RECREATION

**2020 PROPOSED**

**\$178,455**

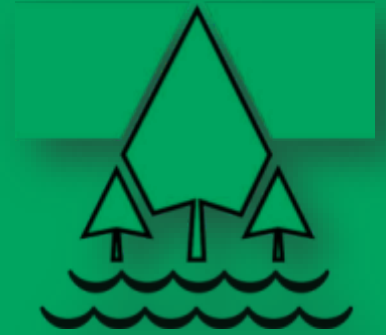
**2021 PROPOSED**

**\$131,092**

**-26.1% VARIANCE OVER 2020  
= (\$46,553)**

- Decreased amount for Rec Agreement with Town of Renfrew
- Decrease in Community Liaison Officer's position
- Tables and chairs – From Reserves
- Dock at Boat launch – From Modernization

**RETURN TO AGENDA**



**BUILDING** 0 % VARIANCE OVER 2020 = \$0

2020 PROPOSED - \$0      2021 PROPOSED - \$0

**PLANNING** 0 % VARIANCE OVER 2020 = \$0

2020 PROPOSED - (\$1,800)      2021 PROPOSED - (\$1,800)

**PROTECTION** -2.9 % VARIANCE OVER 2020 = (\$14,046)

2020 PROPOSED - \$481,109      2021 PROPOSED - \$467,063

Decrease in annual OPP Billing

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## HEALTH SERVICES

1 % VARIANCE OVER 2020 = \$359

2020 PROPOSED - \$34,705

2021 PROPOSED - \$35,064

Annual commitment for Physician Recruitment

## LIBRARY

2 % VARIANCE OVER 2020 = \$160

2020 PROPOSED - \$8,000

2021 PROPOSED - \$8,160

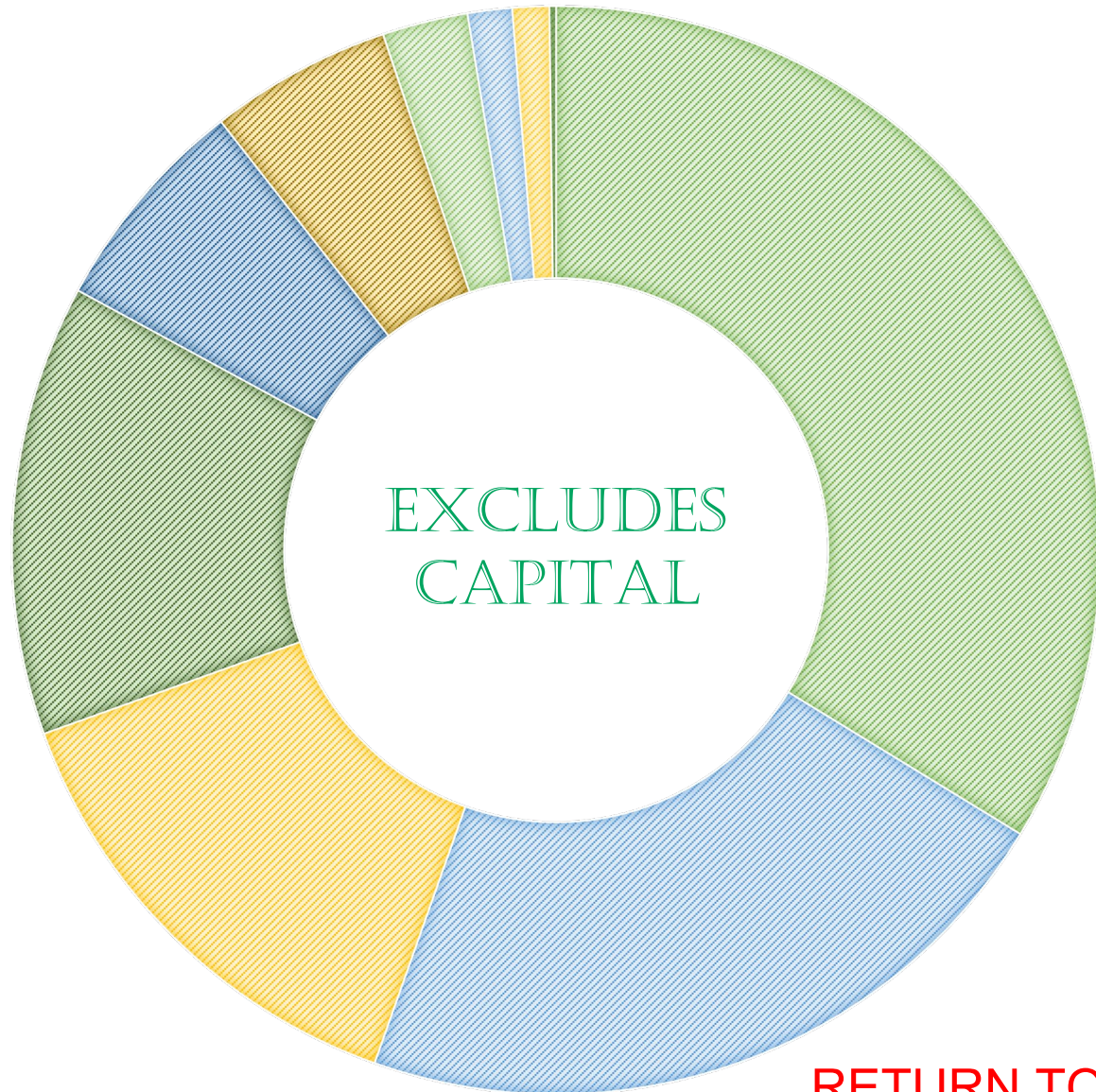
2% annual increase as per Agreement

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# BREAK DOWN OF PROPOSED 2021 OPERATING BUDGET



- 34% - Transportation - \$1,081,800
- 22% - General Government - \$695,235
- 14% - OPP - \$452,373
- 13% - Environment - \$429,628
- 7% - Recreation - \$208,962
- 5% - Fire - \$173,520
- 3% - Planning & Building - \$81,520
- 1% - Protection - \$42,290
- 1% - Health Services - \$35,064
- 0% - Library Services- \$8,160

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# PROPOSED 2021 CAPITAL BUDGET

Department	Item	Opening Unfinanced	2021 Budget	Financing						Estimated Closing Unfinanced
				Taxation	Fees/ Charges/ Donations	Dev. Chgs.	Grants	Gas Tax	Reserves	
Gen. Govt	Office Construction Loan - 2009	24,189.27		16,127	0	0	0		0	8,062.27
										0.00
										0.00
Sub-Total		24,189.27	0	16,127	0	0	0	0	0	8,062.27
Fire										0.00
Sub-Total		0.00	0	0	0	0	0	0	0	0.00
Roads	Garden of Eden Rd	41,677.50		27,785						13,892.50
	Thomson Rd	50,000.00		50,000						0.00
	Whitton Road		300,000			20,713	57,287	90,000	132,000	
	Johnston Rd	196,000.00		24,500						171,500.00
	Gravel Road (to be picked)		50,000	10,000				40,000		0.00
	1 Ton w/ Plow		80,000						80,000	0.00
	Slip-in Water Tank		40,000						40,000	0.00
	2020 Tandem		288,107						288,107	0.00
	Thompson Hill Streets - Engineering		60,000						60,000	0.00
Sub-Total		287,677.50	818,107	112,285	0	20,713	57,287	130,000	600,107	185,392.50
Environment	Ramp Rehabilitation		10,000						10,000	0.00
Sub-Total		0.00	10,000	0	0	0	0	0	10,000	0
Recreation	Tables/Chairs		12,000						12,000	0.00
	Dock at Boat Launch		25,000						25,000	0.00
										0.00
										0.00
Sub-Total		0.00	37,000	0	0	0	0	0	37,000	0.00
<b>TOTAL</b>		<b>311,866.77</b>	<b>865,107</b>	<b>128,412.00</b>	<b>0.00</b>	<b>20,713.00</b>	<b>57,287.00</b>	<b>130,000.00</b>	<b>647,107</b>	<b>193,454.77</b>

Unfinanced Projects	Debt	2021	Balance of Debt 12/31/21	Township Debt	Township Payment	Financing	Unfinanced 12/31/21
Municipal Office - Borrowed 2009	24,189.27	16,127.00	8,062.27				8,062.27
Garden of Eden Rd - Borrowed 2010	41,677.50	27,785.00	13,892.50				13,892.50
Thomson Rd - Borrowed 2016	50,000.00	50,000.00	0.00				0.00
Johnston Rd - Borrowed 2018	196,000.00	24,500.00	171,500.00				171,500.00
<b>Total Construction Loans</b>	<b>311,866.77</b>	<b>118,412.00</b>	<b>193,454.77</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>193,454.77</b>

Department	Debt Balance at Year Ending	Forecasted Debt Dec. 31, 2016	Forecasted Debt Dec. 31, 2017	Forecasted Debt Dec. 31, 2018	Forecasted Debt Dec. 31, 2019	Forecasted Debt Dec. 31, 2020	Forecasted Debt Dec. 31, 2021	Forecasted Debt Dec. 31, 2022	Forecasted Debt Dec. 31, 2023	Forecasted Debt Dec. 31, 2024	Forecasted Debt Dec. 31, 2025	Forecasted Debt Dec. 31, 2026	Forecasted Debt Dec. 31, 2027	Forecasted Debt Dec. 31, 2028
Gen. Govt	Municipal Office	88,697	72,570	56,443	40,316	24,189	8,062							
Roads	Garden of Eden Rd	152,818	125,033	97,248	69,463	41,678	13,893							
	Thomson Rd	250,000	200,000	150,000	100,000	50,000								
	Johnston Rd			245,000	220,500	196,000	171,500	147,000	122,500	98,000	73,500	49,000	24,500	0
Recreation	Change Rooms	34,494	20,894	7,294										
	Rink Roof	34,680	25,500											
	Hall Expansion	79,035	61,000											
<b>TOTAL</b>		<b>639,724</b>	<b>504,997</b>	<b>555,985</b>	<b>430,279</b>	<b>311,867</b>	<b>193,455</b>	<b>147,000</b>	<b>122,500</b>	<b>98,000</b>	<b>73,500</b>	<b>49,000</b>	<b>24,500</b>	<b>0</b>

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Tax Burden Opened Up	
In 2021	48,455
In 2023	93,912

# 2021 PROPOSED RESERVE CONTRIBUTIONS <sup>18</sup>

<b>GENERAL GOVERNMENT</b>	\$	7,000	Office - Equipment
	\$	7,000	Office - Building
	\$	8,000	Election
<b>TRANSPORTATION</b>	\$	20,808	Roads - Building
	\$	1,040	Roads - Winter Maintenance
	\$	114,494	Roads - Equipment
	\$	51,395	Roads - Infrastructure
<b>ENVIRONMENT</b>	\$	20,890	Landfill
	\$	2,500	Landfill - Building
<b>RECREATION</b>	\$	30,915	Rec - Building
<b>FIRE</b>	\$	34,640	Fire
	\$	5,000	Fire - Building

**\$ 303,682 TOTAL CONTRIBUTIONS**  
 RETURN TO AGENDA

# CURRENT APPLICATIONS FOR FUNDING



**MUNICIPAL  
ASSET  
MANAGEMENT  
PROGRAM**

\$56,000.00

*Asset  
Management  
Plan & Software*



**INCLUSIVE  
COMMUNITY  
GRANTS  
PROGRAM**

\$40,216.36

*Dock at the  
Boat Launch  
Ramp at the Rink*



**HEALTHY  
COMMUNITY  
INITIATIVES  
PROGRAM**

\$93,527.84

*Digital Signs for  
Community Centre  
and the Office*



**COVID STREAM  
LOCAL  
GOVERNMENT  
INTAKE**

\$93,500.00

*HVAC Upgrades  
At Municipal  
Office &  
Community Centre*

**RETURN TO AGENDA**



# WHAT DOES THIS DO TO MY TAXES?

MEDIAN ASSESSMENT FOR RESIDENTIAL PROPERTY IN HORTON

\$233,000

2020

$$\begin{aligned} & \$233,000 \times 0.00544937 \\ & = \$1,269.70 \\ & \text{annually} \end{aligned}$$

2%  
INCREASE OF  
\$25.40

2021

$$\begin{aligned} & \$233,000 \times 0.0055583574 \\ & = \$1,295.10 \\ & \text{annually} \end{aligned}$$

(MUNICIPAL PORTION ONLY)

RETURN TO AGENDA



QUESTIONS...

COMMENTS...

DISCUSSION...

RETURN TO AGENDA



**TOWNSHIP OF HORTON  
2021 PROPOSED CAPITAL BUDGET**

Department	Item	Opening Unfinanced	2021 Budget	Financing						Estimated Closing Unfinanced
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Environment	Ramp Rehabilitation		10,000						10,000	0.00
Sub-Total		0.00	10,000	0	0	0	0	0	10,000	0
Recreation	Tables/Chairs		12,000						12,000	0.00
	Dock at Boat Launch		25,000						25,000	0.00
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Thomson Rd - Borrowed 2016	50,000.00	50,000.00	0.00				0.00
Johnston Rd - Borrowed 2018	196,000.00	24,500.00	171,500.00				171,500.00
<b>Total Construction Loans</b>	<b>311,866.77</b>	<b>118,412.00</b>	<b>193,454.77</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>193,454.77</b>

Department	Debt Balance at Year Ending	Forecasted Debt Dec. 31, 2016	Forecasted Debt Dec. 31, 2017	Forecasted Debt Dec. 31, 2018	Forecasted Debt Dec. 31, 2019	Forecasted Debt Dec. 31, 2020	Forecasted Debt Dec. 31, 2021	Forecasted Debt Dec. 31, 2022	Forecasted Debt Dec. 31, 2023	Forecasted Debt Dec. 31, 2024	Forecasted Debt Dec. 31, 2025	Forecasted Debt Dec. 31, 2026	Forecasted Debt Dec. 31, 2027	Forecasted Debt Dec. 31, 2028
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	Johnston Rd			245,000	220,500	196,000	171,500	147,000	122,500	98,000	73,500	49,000	24,500	0
Recreation	Change Rooms	34,494	20,894	7,294										
	Rink Roof	34,680	25,500											
	Hall Expansion	79,035	61,000											
<b>TOTAL</b>		<b>639,724</b>	<b>504,997</b>	<b>555,985</b>	<b>430,279</b>	<b>311,867</b>	<b>193,455</b>	<b>147,000</b>	<b>122,500</b>	<b>98,000</b>	<b>73,500</b>	<b>49,000</b>	<b>24,500</b>	<b>0</b>

Tax Burden Opened Up	
In 2022	46,455
In 2023	93,912





**Township of Horton**  
**COUNCIL / COMMITTEE REPORT**

<b>Title:</b>  2021 FULL ACCRUAL BUDGET (PSAB)	<b>Date:</b>	April 19, 2021
	<b>Council/Committee:</b>	Council
	<b>Author:</b>	Nathalie Moore
	<b>Department:</b>	Finance

**RECOMMENDATIONS:**

**THAT** the Council adopts the Ontario Regulation 284/09 Report for the 2021 Budget, as printed and circulated.

**BACKGROUND:**

Ontario Regulation 284/09 under the Municipal Act, states that a municipality may adopt a budget that excludes amortization expenses, post-employment benefits and solid waste landfill closure and post-closure expenses, provided that the municipality prepares a report about the exclusions and adopt the report by resolution. The report is hereto attached.

The impact of PSAB on the budget does not change the amount of taxes needed to be raised each year. The PSAB budget includes amortization requirements versus the transfer to and from capital and reserves currently in the budget.

The implementation of full accrual accounting in accordance with PSAB is not an accounting exercise, it is a management exercise and the information should be used for capital investment planning. The goal is to have municipalities set aside funds for future replacement of its infrastructure and estimates of when they will need to be replaced.


**FINANCIAL IMPLICATIONS:** None.

**CONSULTATIONS:** None.

**Author:**   
signature

**Other:** \_\_\_\_\_  
signature

**Treasurer:**   
signature

**C.A.O.**   
signature

**RETURN TO AGENDA**

## ONTARIO REGULATION 284/09 REPORT 2021 BUDGET – PSAB BASIS

### **OVERVIEW**

Ontario Regulation 284/09 under the Municipal Act, states that a municipality may adopt a budget that excludes amortization expenses, post-employment benefits and solid waste landfill closure and post-closure expenses, provided that the municipality prepare a report about the exclusions and adopt the report by resolution.

#### 2021 Budget – Tax Rate Purposes

The 2021 Budget incorporates a tax levy of \$2,499,254. This budget will adopt 2021 tax rates for taxation purposes based on a modified accrual basis similar to previous years. Under this budget, amortization was not included as expenditure while capital expenditures and debt principle were included. Post-employment benefit expenses and solid waste landfill closure/post closure expenses were also not included. Revenue included transfers from reserves while expenditures included transfers to reserves.

#### 2021 Budget – PSAB Basis

Under a PSAB based budget, capital expenditures and debt principal are not included as expenditures, while amortization expenses are included. Transfers into reserves and withdrawals out of reserves are also not included in the budget as expenditures and revenues respectively but are considered Financing and Transfers on the Schedule of Financial Activities. The net value between debt principal, capital expenditures and amortization will result in a transfer to/from equity in tangible capital assets on the Schedule of Financial Activities. The dollar difference for 2021 is \$942,934.

### **POST-EMPLOYMENT BENEFITS EXPENSE**

Post-Employment Benefits Expenses for retired employees for 2021 will be \$4,477.80.

### **LANDFILL SITE CLOSURE AND POST-CLOSURE EXPENSE**

As of December 31, 2020, the Municipality will have an estimated balance of \$191,871 in a Reserve for Solid Waste Disposal. The Municipality currently has one active land fill site. Although the Township does not have a specific reserve for landfill site closure, there is sufficient dollars available in the Solid Waste Disposal Reserve and the Working Funds Reserve based on the current estimated landfill site liability amount of \$120,000. Council should continue to transfer funds into this Reserve until reaching the estimated liability value of \$120,000 plus the replacement value of the department's infrastructure assets.

**RETURN TO AGENDA**

## **AMORTIZATION EXPENSE AND RESERVES**

For the 2021 year, the Township included capital expenditures in the budget while amortization expenses were excluded. Amortization expenses attribute to the capital cost of an asset over its life span. However, amortization expenses does not include replacement values, therefore transfers to reserves should include forecasted replacement values.

In 2021, a total of \$865,107 was budgeted for new capital expenditures within the Operating Budget.

In 2021, a total of \$ 23,393 will be withdrawn from reserves in the Operating Budget and a total of \$ 647,107 will be withdrawn from reserves in the Capital Budget. Consequently, for the 2021 year, transfers to reserves for Capital asset replacement are \$ 303,682. In the past, the Township has utilized transfers to reserves, reserve funds and current year capital expenditures to replace existing tangible capital assets such as equipment, fleet and road construction. For 2021, the amount being withdrawn from reserves is more than the contributions being made into reserves.

Based on current estimates for the 2021 year, amortization expenses will amount to approximately \$ 792,594.

## **CONCLUSIONS**

To avoid a large increase in the tax rate the Township should continue to make reserve contributions each year, over and above any reserve withdrawals. The Asset Management Plan will assist Council in making long term financial strategy decisions. Council should adopt a 10 year capital forecast annually.

It is projected in the Long Term Financial Strategies to increase the annual levy by 3.5% to continue to add COLA of 2% to reserves and also increase the gravel and hard top maintenance programs to extend the life of our road network.