



THE CORPORATION OF THE TOWNSHIP OF HORTON

Public Budget Meeting

April 18th, 2023

4:00 p.m.

Horton Municipal Chambers

1. Call to Order
2. Land Acknowledgement

“As we gather today, I would like to acknowledge, on behalf of Council and our community that we are meeting on the traditional territory of the Algonquin People. We would like to thank the Algonquin People and express our respect and support for their rich history, and we are extremely grateful for their many and continued displays of friendship. We also thank all the generations of people who have taken care of this land for thousands of years.”
3. Confirmation of Public Meeting Agenda
4. Declaration of Pecuniary Interest
5. Purpose of Public Meeting – CAO/Clerk
6. CAO/Clerk’s Report on Notice
7. Delegations - None
8. Staff Reports – 2023 Budget Presentation
9. Staff Report – PSAB Budget Report
10. Council Members Questions/Concerns
11. Public Questions/Concerns
12. Adjournment

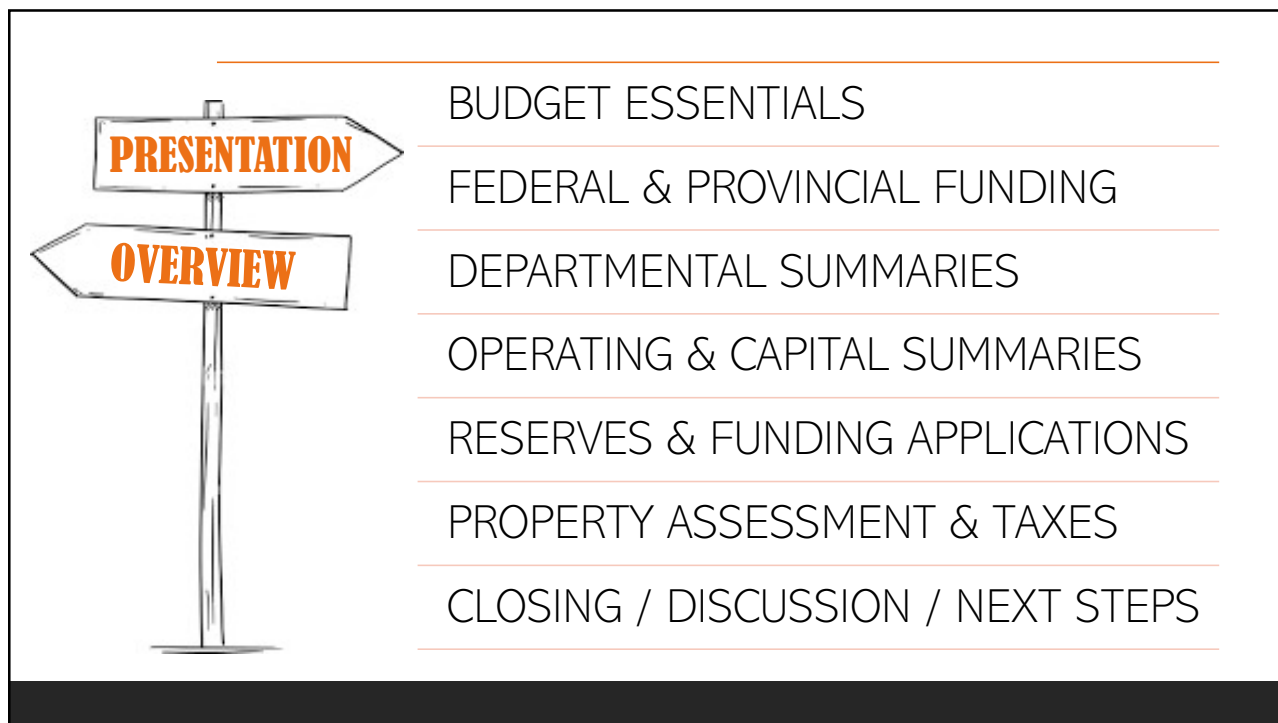
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PG.13

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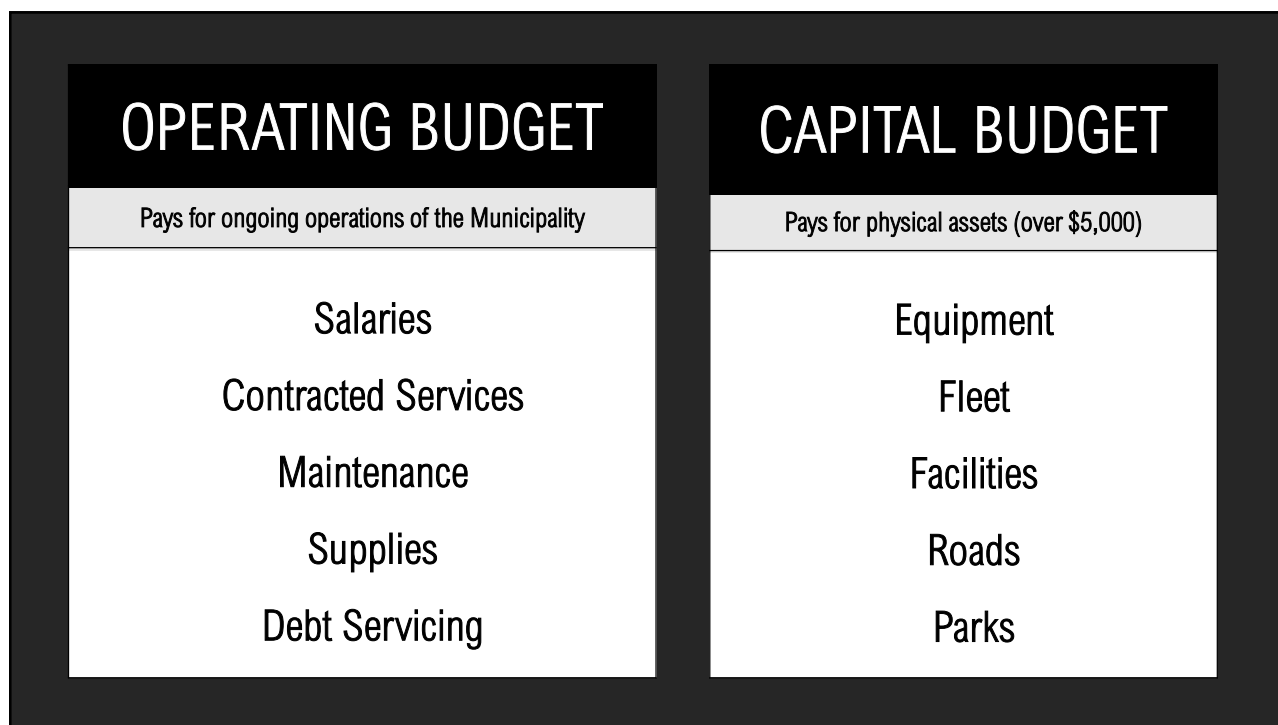
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THE BUDGET IS ESSENTIAL TO THE MANGEMENT OF THE MUNICIPALITY

The overall budget is comprised of two main components – the Operating Budget and the Capital Budget.

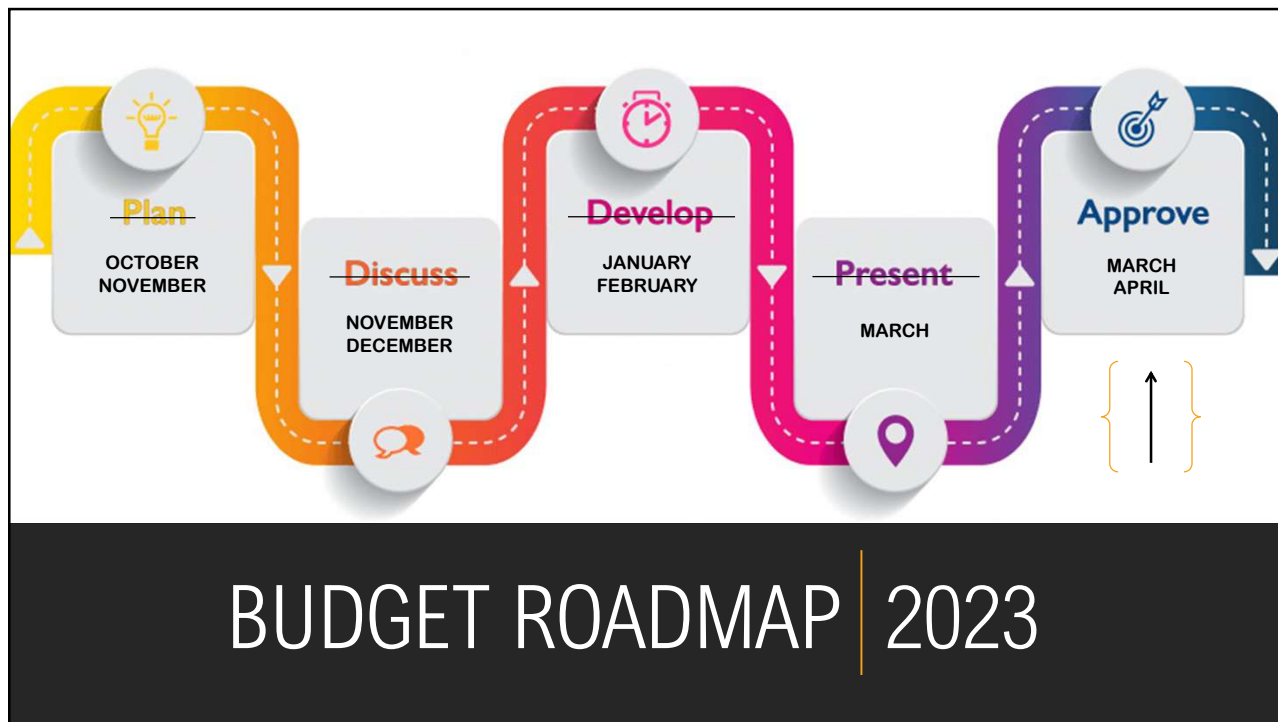
All municipalities are mandated through the Municipal Act to prepare a balanced budget annually.

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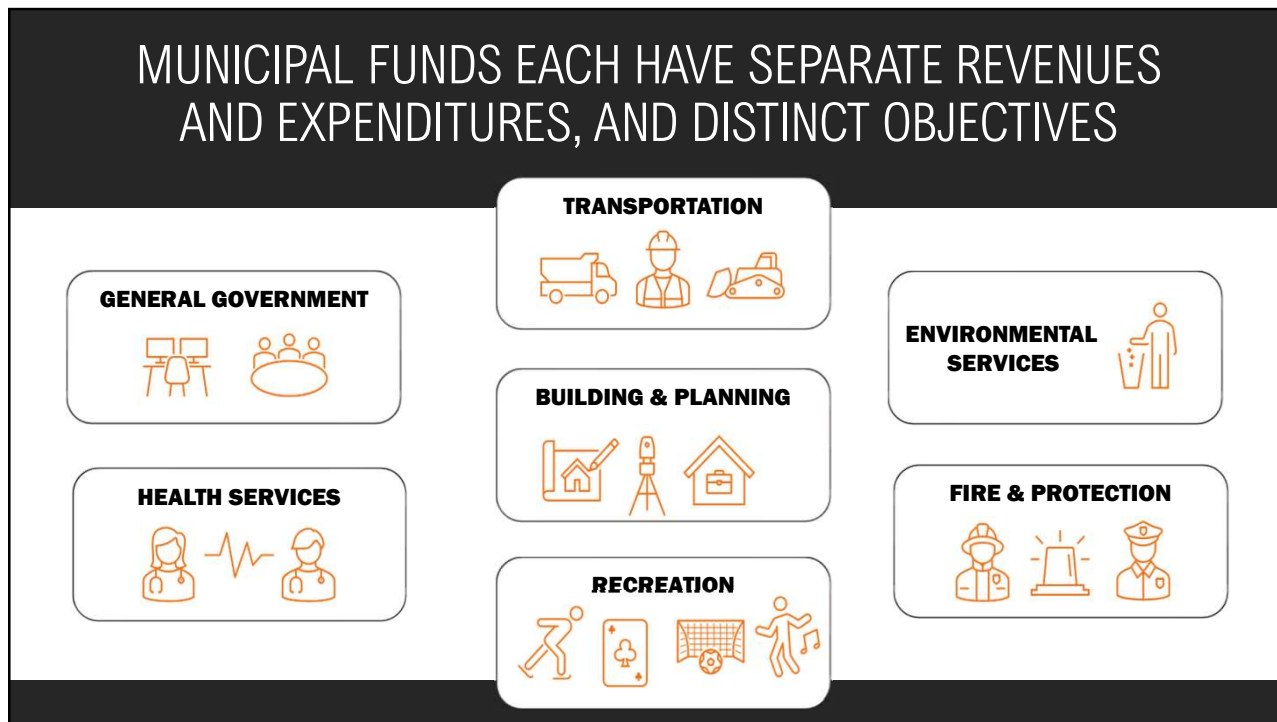
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FEDERAL & PROVINCIAL FUNDING



OMPF	Ontario Municipal Partnership Fund	\$ 244,000
CCBF	Canada Community Building Fund	\$ 95,543
OCIF	Ontario Community Infrastructure Fund	\$ 219,964

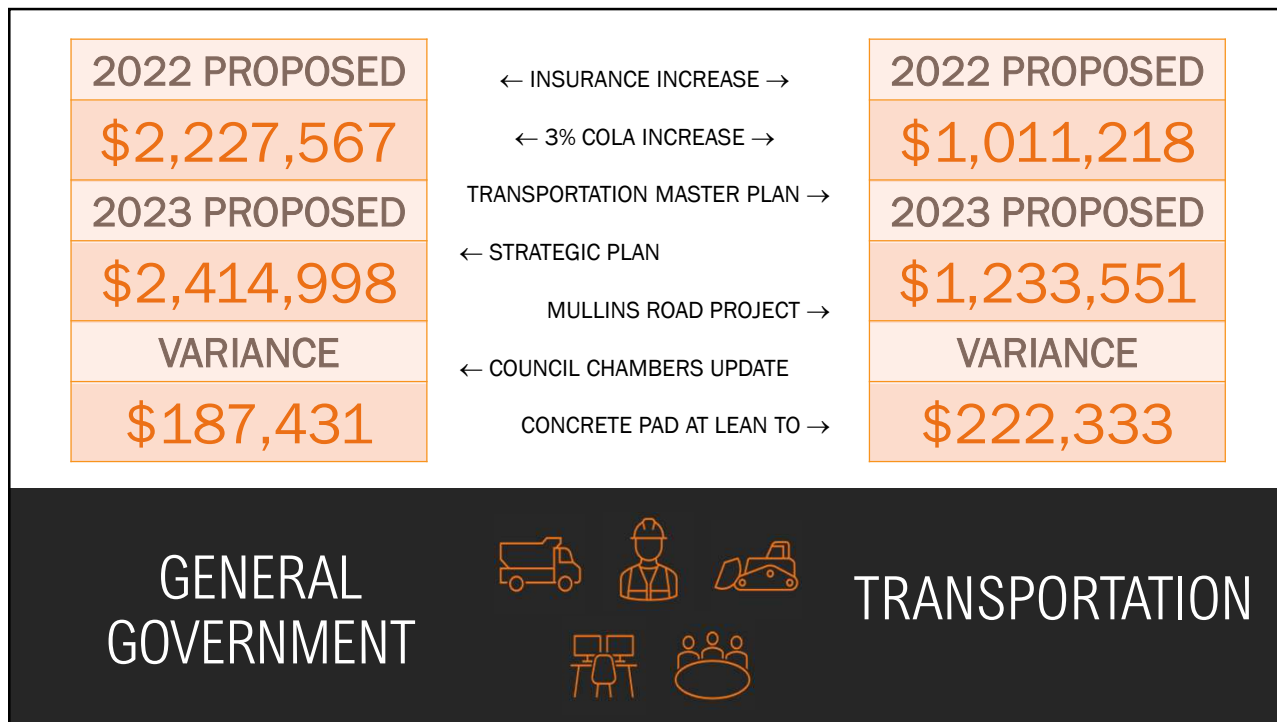
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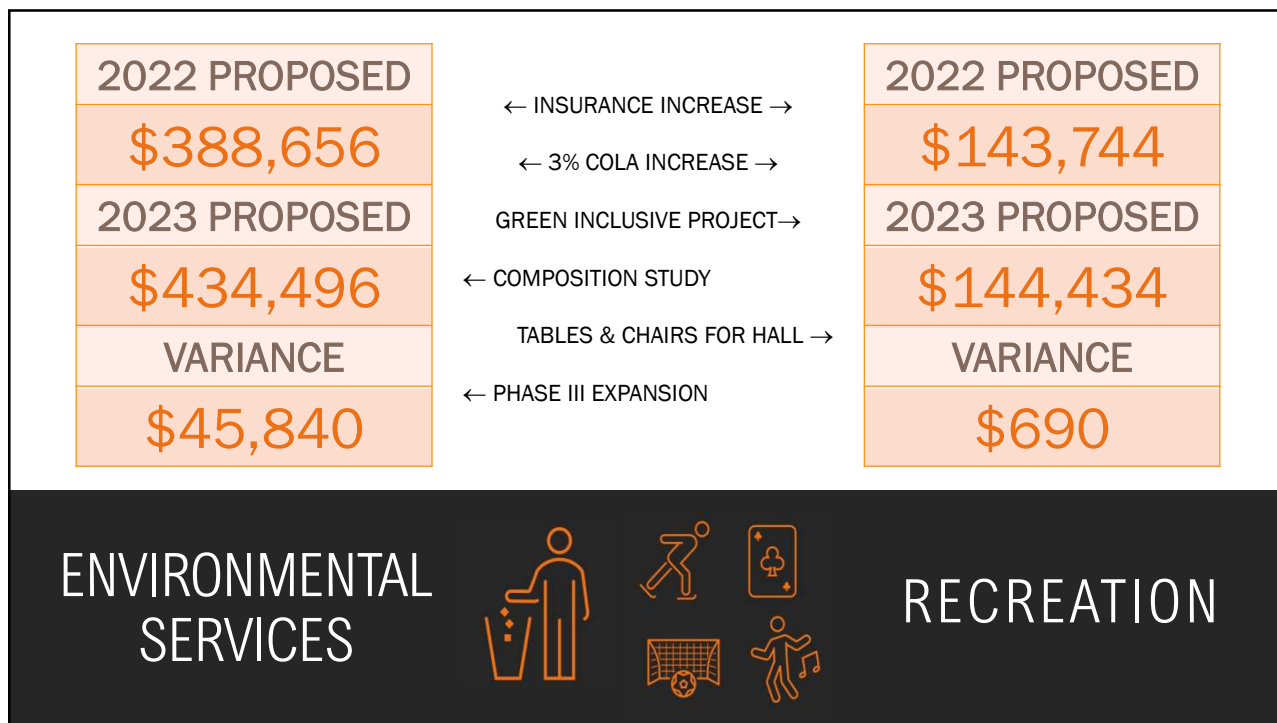
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2022 PROPOSED	← INSURANCE INCREASE ← 3% COLA INCREASE ← MANDATORY FF CERTIFICATION CHANGE IN OPP BILLING → ← REPLACE 9837 ← AMKUS RESCUE TOOL	2022 PROPOSED
\$172,746		\$458,194
2023 PROPOSED		2023 PROPOSED
\$211,053		\$437,402
VARIANCE		VARIANCE
\$38,307		-\$20,792

FIRE DEPARTMENT

PROTECTION


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2022 PROPOSED		2022 PROPOSED
\$0		\$2,400
2023 PROPOSED		2023 PROPOSED
\$0		\$2,400
VARIANCE		VARIANCE
\$0		\$0


BUILDING
PLANNING

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2022 PROPOSED		2022 PROPOSED
\$35,686		\$8,323
2023 PROPOSED	← ANNUAL AGREEMENT →	2023 PROPOSED
\$36,470	INCREASE	\$8,489
VARIANCE		VARIANCE
\$784		\$166

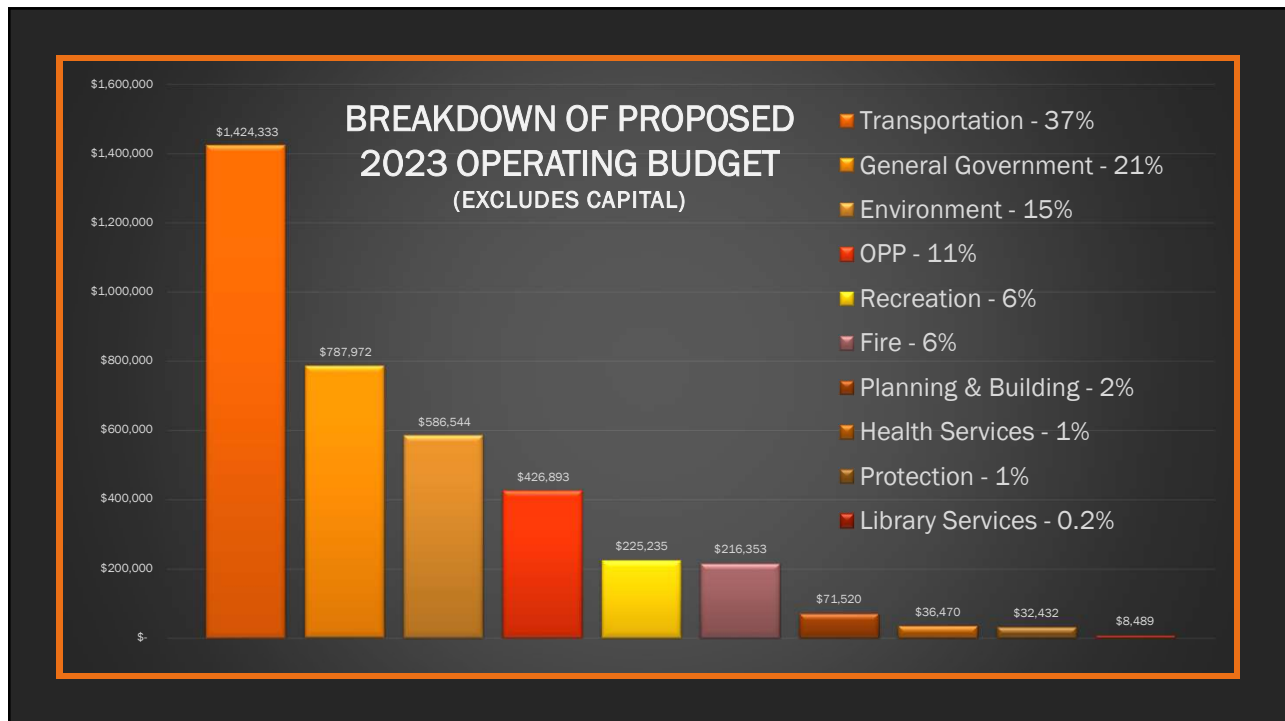


HEALTH SERVICES



LIBRARY

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2023 PROPOSED CAPITAL

GENERAL GOVERNMENT										
Item	Opening Unfinanced	2023 Budget	Taxation	Fees/ Charges/ Donations	Dev. Chgs.	Grants	CCBF (Gas Tax)	Reserves	Reserve Name	Estimated Closing Unfinanced
Council Chambers Update		100,000						100,000	Working Funds	0
General Government Sub-Total	0	100,000	0	0	0	0	0	100,000		0
FIRE DEPARTMENT										
Item	Opening Unfinanced	2023 Budget	Taxation	Fees/ Charges/ Donations	Dev. Chgs.	Grants	CCBF (Gas Tax)	Reserves	Reserve Name	Estimated Closing Unfinanced
Fire Truck		97,500						97,500	Working Funds	0
Amikus Rescue Tool		14,000						14,000	Fire Equipment	0
New Hire Turnout Gear		12,000						12,000	Working Funds	0
Fire Department Sub-Total	0	97,500	0	0	0	0	0	97,500		0
TRANSPORTATION										
Item	Opening Unfinanced	2023 Budget	Taxation	Fees/ Charges/ Donations	Dev. Chgs.	Grants	CCBF (Gas Tax)	Reserves	Reserve Name	Estimated Closing Unfinanced
Johnston Rd	147,000		24,500							122,500
Thompson Hill Streets	2,451,000		81,733							2,369,267
Mullins Road		295,000			30,000		125,000	140,000	Roads Infrastructure	0
Gravel Prog-Mullins		55,000	20,000				35,000			0
Transportation Master Plan		50,000						50,000	Working Funds	0
Concrete Pad		20,000						20,000	Roads Infrastructure	0
Transportation Sub-Total	2,598,000	420,000	126,233	0	30,000	0	160,000	210,000		2,491,767
ENVIRONMENT										
Item	Opening Unfinanced	2023 Budget	Taxation	Fees/ Charges/ Donations	Dev. Chgs.	Grants	CCBF (Gas Tax)	Reserves	Reserve Name	Estimated Closing Unfinanced
Composition Study		10,000						10,000	Environment	0
Phase III Expansion		19,600						19,600	Environment	0
Environment Sub-Total	0	29,600	0	0	0	0	0	29,600		0
RECREATION										
Item	Opening Unfinanced	2023 Budget	Taxation	Fees/ Charges/ Donations	Dev. Chgs.	Grants	CCBF (Gas Tax)	Reserves	Reserve Name	Estimated Closing Unfinanced
Digital Signage - Community Centre		100,000						100,000	Working Funds	0
Recreation Sub-Total	0	100,000	0	0	0	0	0	100,000		0
TOTAL	2,598,000	747,100	126,233	0	30,000	0	160,000	537,100		2,491,767

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DEBENTURE PAYMENT SCHEDULE

TRANSPORTATION	DEC. 31 2022	DEC. 31 2023	DEC. 31 2024	DEC. 31 2025	DEC. 31 2026	DEC. 31 2027	DEC. 31 2028	DEC. 31 2029	DEC. 31 2030	DEC. 31 2031	DEC. 31 2032
Johnston Rd	147,000	122,500	98,000	73,500	49,000	24,500					
Thompson Hill Streets		2,370,267	2,288,533	2,206,800	2,125,067	2,043,333	1,961,600	1,879,867	1,798,133	1,716,400	1,634,667
TOTAL	147,000	2,492,767	2,386,533	2,280,300	2,174,067	2,067,833	1,961,600	1,879,867	1,798,133	1,716,400	1,634,667
TRANSPORTATION	DEC. 31 2033	DEC. 31 2034	DEC. 31 2035	DEC. 31 2036	DEC. 31 2037	DEC. 31 2038	DEC. 31 2039	DEC. 31 2040	DEC. 31 2041	DEC. 31 2042	DEC. 31 2043
Johnston Rd											
Thompson Hill Streets	1,552,933	1,471,200	1,389,467	1,307,733	1,226,000	1,144,267	1,062,533	980,800	899,067	817,333	735,600
TOTAL	1,552,933	1,471,200	1,389,467	1,307,733	1,226,000	1,144,267	1,062,533	980,800	899,067	817,333	735,600
TRANSPORTATION	DEC. 31 2044	DEC. 31 2045	DEC. 31 2046	DEC. 31 2047	DEC. 31 2048	DEC. 31 2049	DEC. 31 2050	DEC. 31 2051			
Johnston Rd											
Thompson Hill Streets	653,867	572,133	490,400	408,667	326,933	245,200	163,466	81,733			
TOTAL	653,867	572,133	490,400	408,667	326,933	245,200	163,466	81,733			

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RETURN TO AGENDA


<p style="text-align: center;">2023 PROPOSED RESERVE CONTRIBUTIONS</p> <hr/> <p style="text-align: center; color: orange; font-size: 2em;">\$ 446,717</p>	GENERAL GOVERNMENT	
	OFFICE EQUIPMENT	8,160.00
	BUILDING	7,000.00
	ELECTION / TRAINING	9,000.00
	TRANSPORTATION	
	BUILDING	21,649.00
	WINTER MAINTENANCE	1,080.00
	ASSET MANAGEMENT	6,000.00
	EQUIPMENT	216,568.00
	INFRASTRUCTURE	79,475.00
	ENVIRONMENT	
	LANDFILL	23,750.00
	LANDFILL BUILDING	3,000.00
RECREATION		
BUILDING	30,000.00	
FIRE DEPARTMENT		
FIRE	36,035.00	
BUILDING	5,000.00	

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<p style="text-align: center; color: orange; font-size: 2em;">CURRENT FUNDING APPLICATIONS</p>		
		
	COMMUNITY CENTRE LIGHTING REPLACEMENT	COMMUNITY CENTRE A/C TO HEAT PUMPS
	COMMUNITY CENTRE EMERGENCY SHELTER WASHROOMS	COMMUNITY CENTRE FURNACE CONTROLS
	ARENA CHANGE ROOM LIGHTING REPLACEMENT	ARENA LIGHTING REPLACEMENTS
	SOLAR PV SYSTEM	STRUCTURAL WIND RESISTANCE RETROFITS

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HOW WILL THIS AFFECT YOUR PROPERTY TAXES??



MEDIAN RESIDENTIAL ASSESSMENT

\$241,000

CURRENT MUNICIPAL PORTION

$\$241,000 \times 0.0055884$
 = \$1,346.80 Annually

PROPOSED INCREASE OF 2.5 %


$\$241,000 \times 0.0057281$
 = \$1,380.47 Annually

THIS LEVY INCREASE RESULTS IN A

\$33.67

CHANGE ON MEDIAN ASSESSED PROPERTY

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TOWNSHIP OF HORTON

51.71 %

COUNTY OF RENFREW

34.47 %

SCHOOL BOARDS

13.82 %

BREAKDOWN OF RESIDENTIAL TAXES

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*Thank You for
your time and
attention today!*



QUESTIONS COMMENTS DISCUSSION

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Township of Horton COUNCIL / COMMITTEE REPORT

Title: 2023 FULL ACCRUAL BUDGET (PSAB)	Date:	April 18, 2023
	Council/Committee:	Council
	Author:	Nathalie Moore
	Department:	General Government

RECOMMENDATIONS:

THAT the Council adopts the Ontario Regulation 284/09 Report for the 2023 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.

*Prepared By: Nathalie Moore, Treasurer
Reviewed By: Hope Dillabough, CAO/Clerk*

RETURN TO AGENDA

ONTARIO REGULATION 284/09 REPORT 2023 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.

2023 Budget – Tax Rate Purposes

The 2023 Budget incorporates a tax levy of \$2,682,003. This budget will adopt 2023 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.

2023 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 2023 is \$1,094,524.

POST-EMPLOYMENT BENEFITS EXPENSE

Post-Employment Benefits Expenses for retired employees for 2023 will be \$5,853.72.

LANDFILL SITE CLOSURE AND POST-CLOSURE EXPENSE

As of December 31, 2022, the Municipality will have an estimated balance of \$217,835 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.

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AMORTIZATION EXPENSE AND RESERVES

For the 2023 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 2023, a total of \$747,100 was budgeted for new capital expenditures within the Operating Budget.

In 2023, a total of \$75,545 will be withdrawn from reserves in the Operating Budget and a total of \$537,100 will be withdrawn from reserves in the Capital Budget. Consequently, for the 2023 year, transfers to reserves for Capital asset replacement are \$ 446,717. 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 2023, the amount being withdrawn from reserves is more than the contributions being made into reserves.

Based on current estimates for the 2023-year, amortization expenses will amount to approximately \$ 612,450.

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.