



# 2021 Final Budget Presentation

TOWNSHIP OF CRAMAHE  
JANUARY 19, 2021

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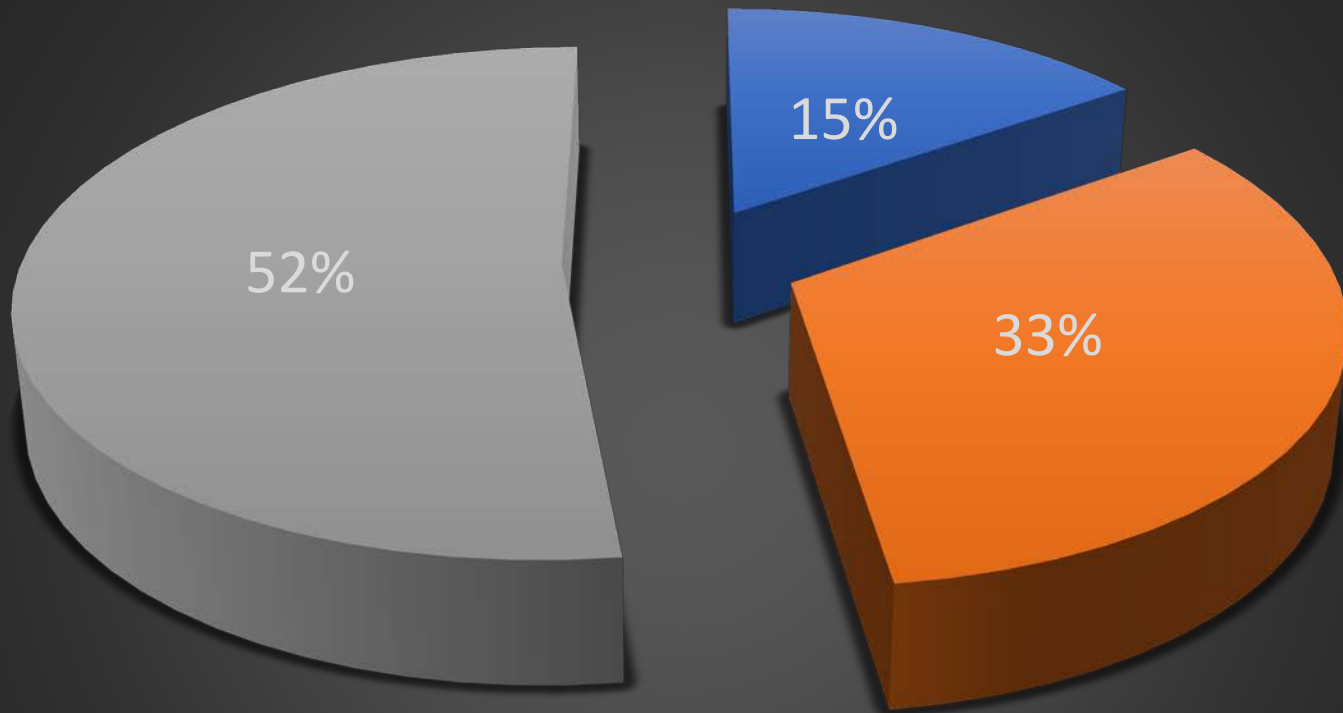
# Agenda

- 2021 Budget Overview
- 2021 Budget Highlights by Functional Classification
- Tax Rate Impact
- Revenues & Expenditures
- Long Term Debt
- Reserves
- Asset Management Plan
- Current and Future Budget Challenges
- Closing Remarks

# 2021 Final Budget Overview

- Total budgeted levy is a 2.6% net levy over levy increase after applying growth. This amounts to less than a 1.7% increase on residential tax rates.
- Total \$ tax levy increase is \$234,096 and a 1% increase is approximately \$60,000
- Budget maintains programs and services
- Budget helps to address the challenge of capital replacement

# Total Taxes Collected (%) - 2020

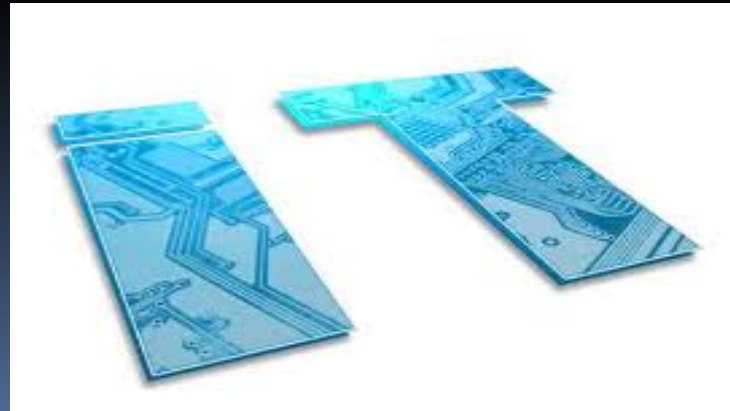


■ School Board ■ County ■ Municipal

# General Government



Governance  
Corporate Management  
Program Support



# General Government – 2021 Final Draft Highlights

- \$85,356 increase over 2020 budget. This is primarily due to a substantial decrease to interest revenue as a result of lower interest rates caused by COVID-19 and a decrease in grants (Modernization & Mainstreet Revitalization)
- Revenues – Includes over \$900,000 in revenue
  - Three grants include utilization of Modernization Grant (75,000), OMPF (640,000) and Asset Management
  - Penalties & Interest on taxes and supplemental tax bills make up approximately \$200,000
  - Bank interest and HISA budget decreased over previous year

# General Government – 2021 Final Draft Highlights

- Expenses – includes over \$1,300,000 in expenses
  - Council Salary Increase due to changes to Remuneration By-Law
  - Part Time Technical Records Clerk
  - Insurance increase by over 15%
  - Asset Management Plan Update \$47,000
  - Completion of the Enterprise Software Implementation
  - Software support and Human Resources provided by Northumberland County
  - Transfer to reserve for election \$8,000
  - \$25,000 in capital budgeted and relates to closed captioning and recording equipment
  - Increase in professional development for Health & Safety



# Protection Services



- OPP
- Community Policing
- Building Permits & Inspection



- Fire Department
- Emergency Measures
- By-Law Enforcement
- Police Service Board



# Protection Services 2021 – Highlights

- Overall a \$50,000 increase over the 2020 budget. This is primarily due to a decrease in building permit revenue by \$30,000.
- There are no contributions to/from reserves
- Overall revenues are budgeted at \$140,000. Building permits makes up \$125,000 of this number.
- Expenditures are budgeted at \$1,340,000. Expenditures of note are the OPP contract (\$986,000), Lower Trent Conservation Authority (external transfer) \$87,000, addition of \$10,000 in legal for building

# Fire Services 2021 – Highlights

- Overall a \$55,112 decrease over the 2020 budget
- \$70,000 transfer to reserves
- \$106,623 principal and interest payments for a loan for the South Fire Hall
- Capital includes new self-contained breathing apparatuses, hose, portable pumps and other personal protective equipment
- There is a focus on training and professional development due to the nature of fire services
- Countywide Service Delivery Review will be completed and presented in February or early March. This was funded from a Modernization Grant
- New Fire Chief starting March 29<sup>th</sup>, 2021

# Transportation Services



# Transportation Services 2021 – Highlights

- Overall a \$23,000 increase over the 2020 budget
- Over \$635,000 transfers from reserves and \$75,000 transfers to reserves
- Total amount of capital over \$1,000,000 and includes:
  - 1½ ton truck, chipper, hot box, backhoe broom
  - Barnes Road Bridge reconstruction
  - Tandem ordered in 2020 will be received in February 2021

# Transportation Services 2021 – Highlights

## ■ Revenues

- Utilization of development charges and reserves \$635,000
- Aggregate resources trust \$245,000 (TORAC)

## Expenses

- Capital \$1,000,000
- \$100,000 COVID-19 grant for sidewalks applied for in 2020
- Winter control (sand, salt, contracted services)
- New accounts to separate rural and urban
- Vehicle & Equipment repair and maintenance
- Bridge repair and maintenance
- Materials and supplies

# Transportation Services - Road Construction

Surface Treated km = 112  
Paved km = 23.8  
Gravel = 85.5  
Bridges & Culverts = 20





# Road Construction 2021 Budget Highlights

- ▣ Overall decrease of \$82,000 over 2020 budget.
- ▣ Engineering to be completed on Ontario Street for 2022 construction
- ▣ \$560,000 on road construction includes:
  - Pinewood School Road
  - Darling Road
  - Carr Road
  - Phillips Road
  - Massey Lane
  - Cowie Road
  - Jones Road
  - Dekeyser Road
  - Shiloh Road
  - Durham Street South

# Municipal Facilities



# Municipal Facilities

## 2021 Budget Highlights

- Overall decrease of \$32,677 over the 2020 budget. This decrease is primarily due to a decrease in capital at the South Public Works building
- \$8,000 is being transferred from reserves
- Budget includes Castleton Town Hall, Colborne Town Hall, North & South Firehall, Public Works Facilities, Sand Domes among other municipal facilities
- Township is now performing the landscaping at the South Firehall and billing back Northumberland County
- Accessibility upgrades on Gazebo \$3,000

# Municipal Facilities 2021 Budget Highlights

## Capital & Maintenance:

- Furnace Replacement at the Colborne Townhall \$27,500. Township is investigating grants
- Replacement of loading pad at North Public Works building \$10,000
- Building maintenance (salt shed, office roof) \$15,000 at the South Public Works building
- Building maintenance for room at sand dome \$10,000

# Environmental Services

- Cramahe Water & Sanitary Sewer System
  - Rates are based on cost recovery



# Environmental Services 2021 – Budget Highlights

- Bulk of revenue comes from water and sewer billings. Rates are based on the Water Rate Study & Waste Water Rate Study (100% cost recovery)
- The Water/Wastewater Rate study is almost complete
- Transfers to water reserve \$190,000 and from water reserves is \$795,000
- Transfers from sanitary sewer reserve \$67,000
- Water operations contracted out to Lakefront Utilities



# Environmental Services 2021 – Budget Highlights

- Capital Water:
  - Well 1A Commissioning \$275,000
  - Colton Street Well \$30,000
  - Watermain extension \$430,000
  - Upgrades to system \$60,000
- Capital Wastewater:
  - By-Pass valve \$25,000
  - Effluent Pumps \$35,000
  - RAS Pump \$16,000
  - Sewer Pipe Camera System \$25,000
  - VFD Blowers \$35,000
  - Containment Building \$40,000

# Health Services (Active & Heritage Cemeteries)



# Health Services (Active & Heritage Cemeteries)

- Cemeteries maintained by township include Carr, East Colborne, Red Cloud, Walker and Woods
- Care and Perpetual Maintenance Funds are managed by ScotiaTrust
- Revenues include donations and expenditures include maintenance and stone repair
- The Township maintains cemetery reserves

# Recreation & Cultural Services



Cramahe Township Public Library

Libraries  
Community Centres  
Arena  
Municipal Parks



# Recreation & Culture 2021 Budget - Highlights

- Overall a \$76,000 increase. This is primarily due to moving a project budgeted in 2020 forward to 2021.
- Revenues of note include ICIP grant (193,591) canteen sales, hall rentals, ice rentals, reserves
- Transfers from reserves \$99,000 and transfer to reserves \$30,000 for the zamboni

# Recreation & Culture 2021 Budget - Highlights

- Capital Expenditures and Maintenance:
  - ▣ Building upgrades Keeler Centre and property to be funded in part with ICIP grant \$264,000
  - ▣ Landscape Trailer \$8,500
  - ▣ Zero Turn Lawnmower \$18,500
  - ▣ Property Upgrades \$15,000



# Library 2021 - Highlights

- Overall \$16,000 increase over the 2020 budget.
- Revenues of note include donations for the library expansion project, transfers from reserves, and a provincial grant
- Expenditures of note include continuation of the digital archives project, a transfer to reserve, and \$30,000 in book purchases

# Planning and Development



# Planning and Development 2021 - Highlights

- Overall a \$62,000 increase over the 2020 budget.
- There are \$374,000 transfers to and from reserves for the sale of industrial lands
- Revenues include items such as severances and minor variances and are budgeted similar to 2020.
- Expenditures of note include \$61,275 in principal and interest payments, completion of a secondary plan \$45,000, \$7,500 to update the Official Plan, and \$10,000 for Northumberland County GIS agreement for 2 days a month

# Tax Rate Impact – Municipal Residential

- 2020

$$0.00728264 \times \$250,000 = \$1,820.66$$

- 2021

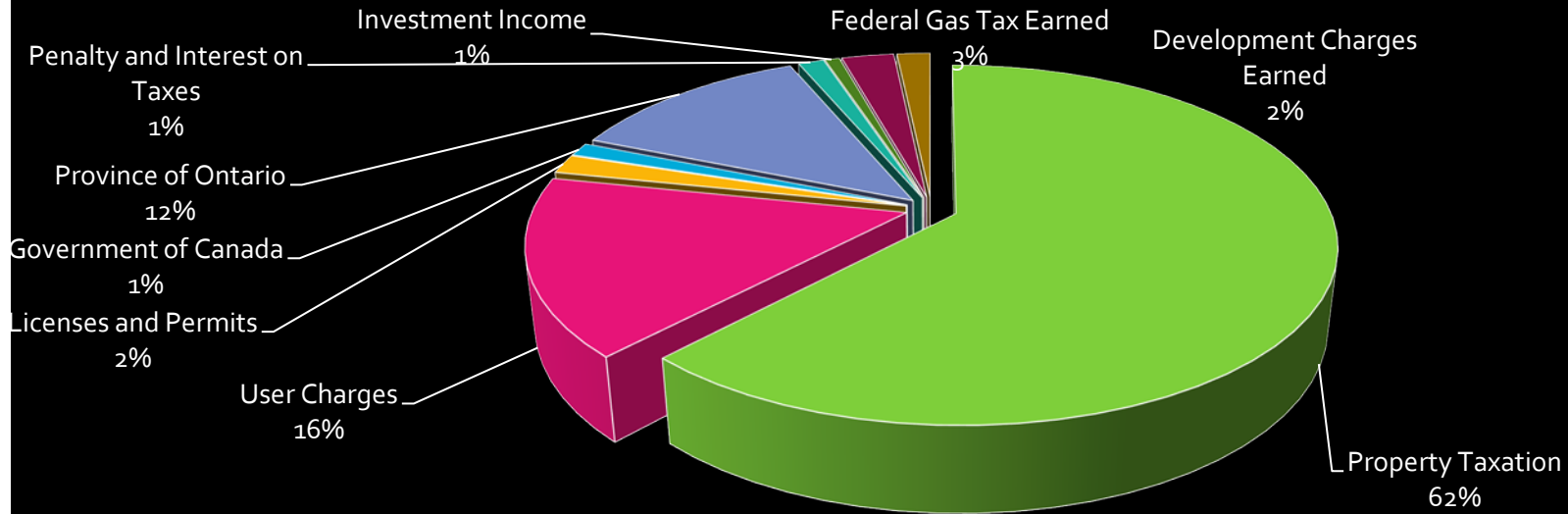
$$0.00741318 \times \$250,000 = \$1,853.30$$

Increase for a \$250,000 home will be \$32.64 per year or \$2.72 per month

# Municipal Revenues

- Total revenues approximately \$12 million
- Revenues consist of Taxation, Investment Income, Provincial Grants, Federal Grants, User Charges, Licenses and Permits, Development Charges Earned, Federal Gas Tax Earned, Penalty and Interest on Taxes

# Revenues Categories



Property Taxation

User Charges

Licenses and Permits

Government of Canada

Province of Ontario

Penalty and Interest on Taxes

Investment Income

Federal Gas Tax Earned

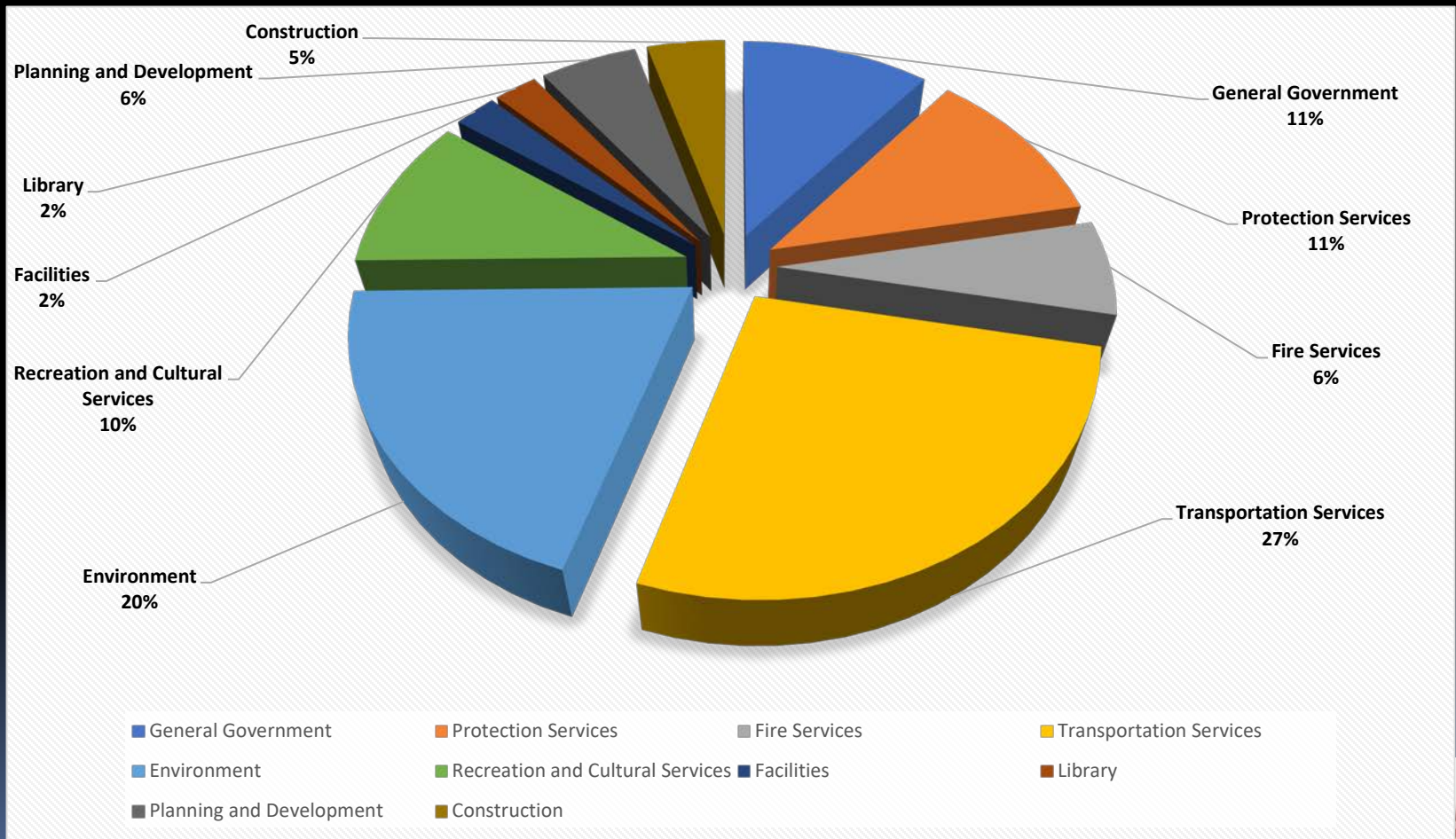
Development Charges Earned



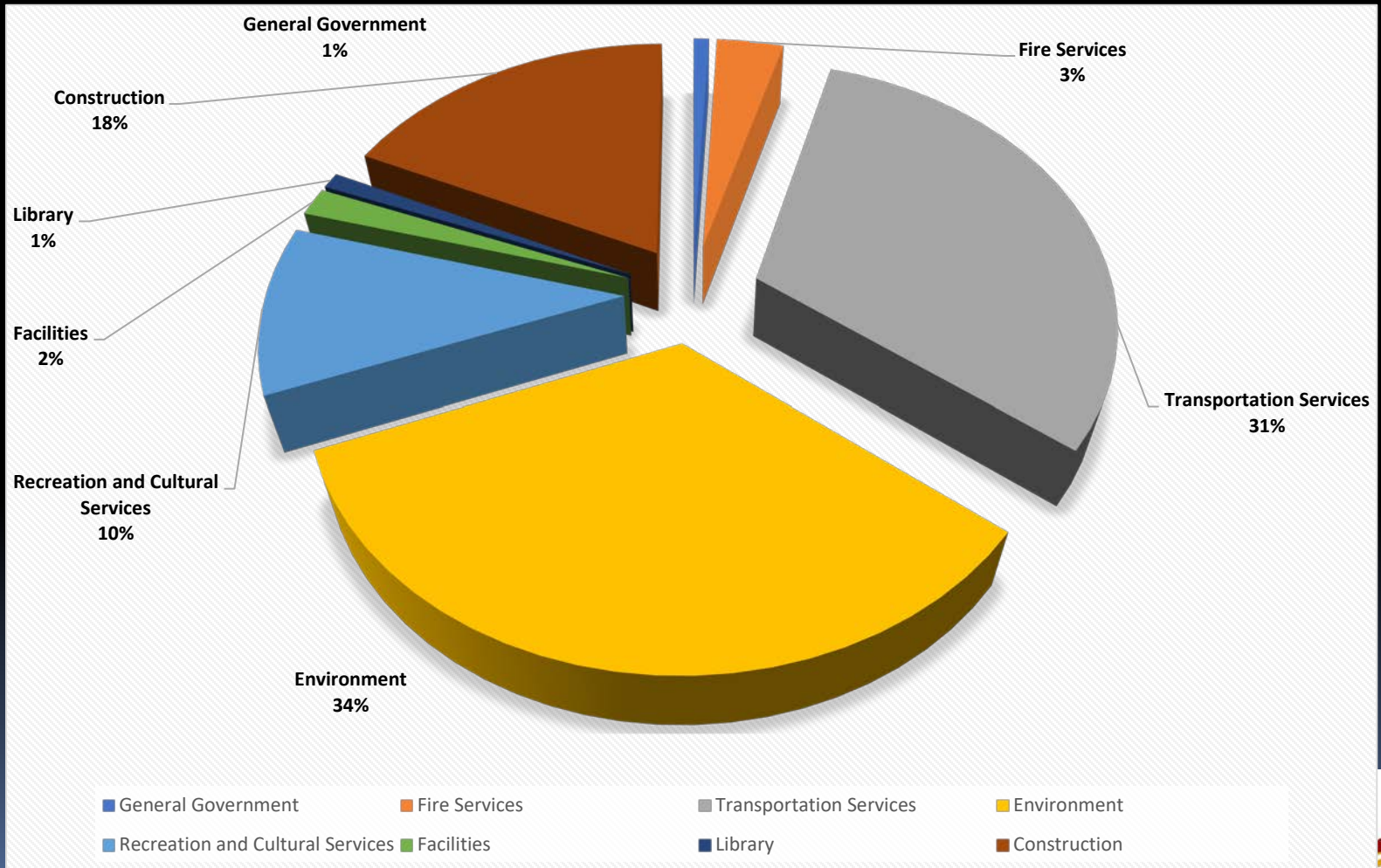
# Municipal Expenses

- Total expenditures of approximately \$12 million. This is made up of operating and capital.
- Expenditures consist of salaries and benefits, interest on long term debt, materials, contracted services, rents, financial expenses, and capital
- Our largest operating expenditure are salaries and benefits due to the labour intensive nature of the services provided

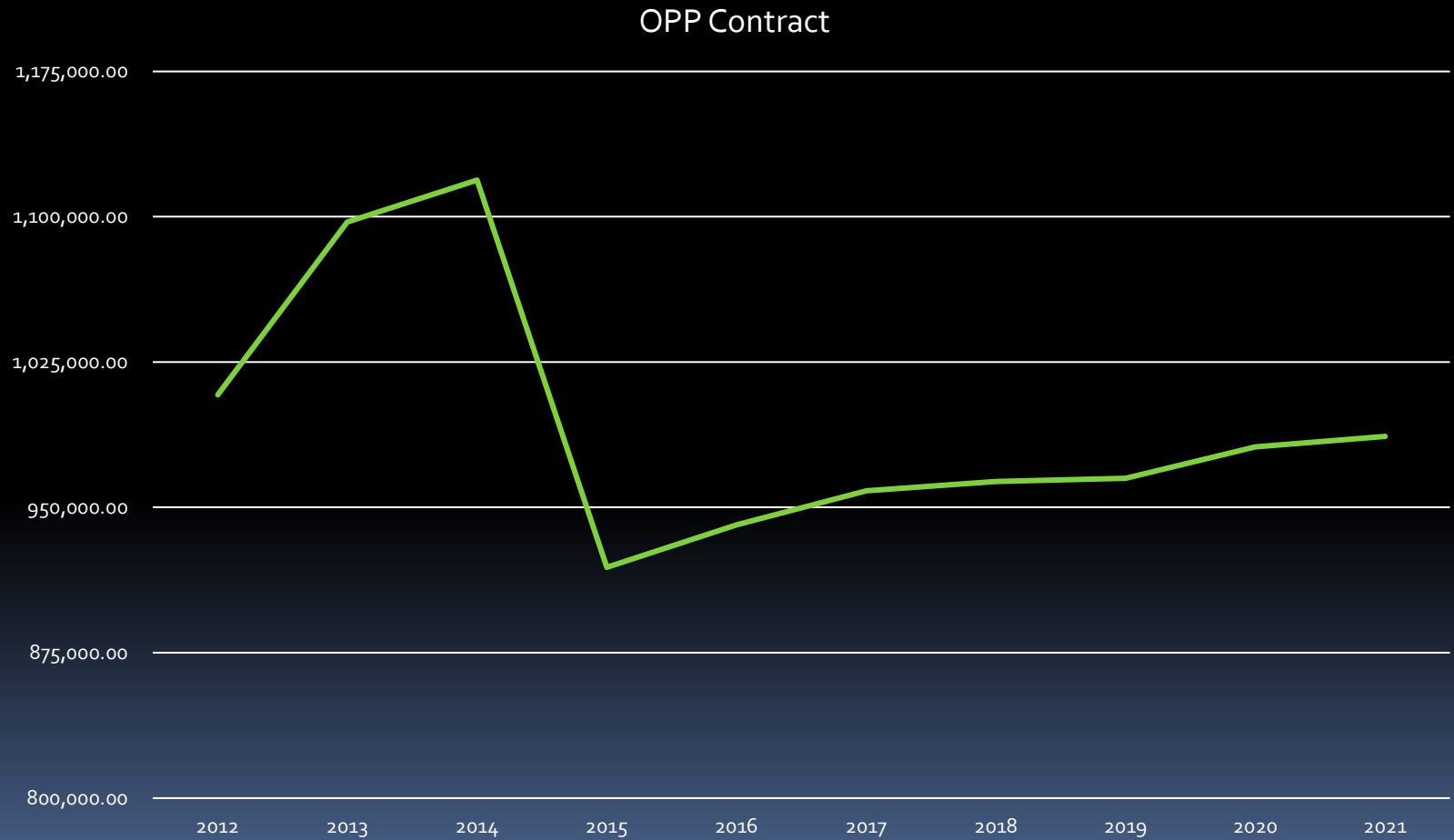
# Capital & Operating Expenses by Functional Classification



# Capital Expenses by Functional Classification



# OPP Contract 2012-2021



# Long Term Debt 2021 Budget

- Long term debt decreased slightly from \$3,983,473 in 2020 to \$3,797,988 in 2021. Long Term debt includes:
  - South Firehall 2017- OILC debenture, due September 15, 2027, repayable in blended semi-annual installments of \$53,312, interest rate fixed at 3.51% per annum.
  - Wastewater Upgrade 2009 - Long term loan from CMHC, due November 1, 2024, repayable in blended annual installments of \$123,590, interest rate fixed at 3.99% per annum
  - Burnham, Park & Cedar - OILC debenture, due November 15, 2049, repayable in blended semi-annual installments of \$43,173, interest rate fixed at 2.91%per annum.
- Current principal and interest payments for the township are \$316,560.
- Although the township is well within its annual repayment limit, it must carefully and strategically manage its debt.
- Debt servicing cost as a percent of total revenues has increased as a result of new debt in 2019

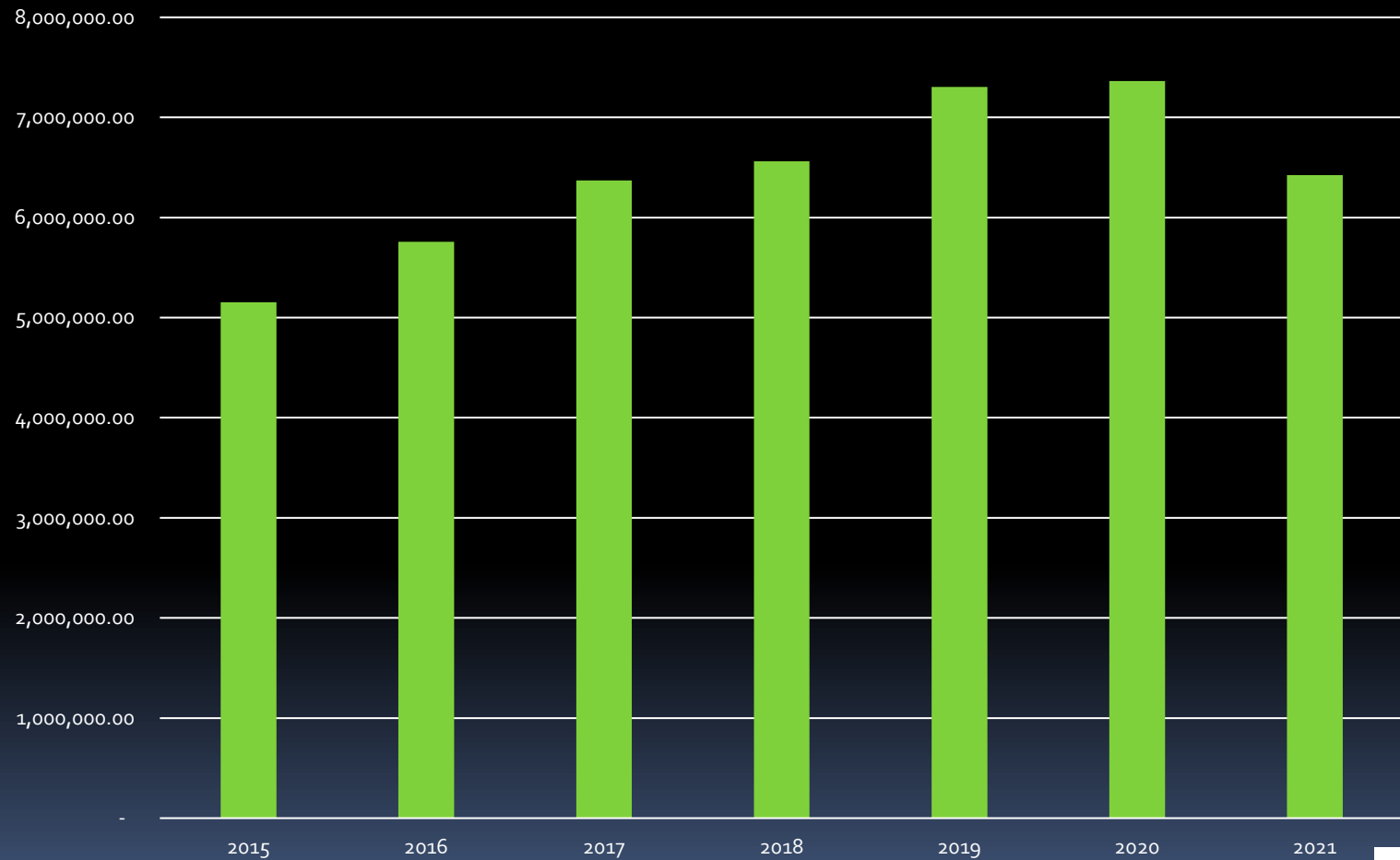
# Long Term Debt 2013-2021



# Reserves

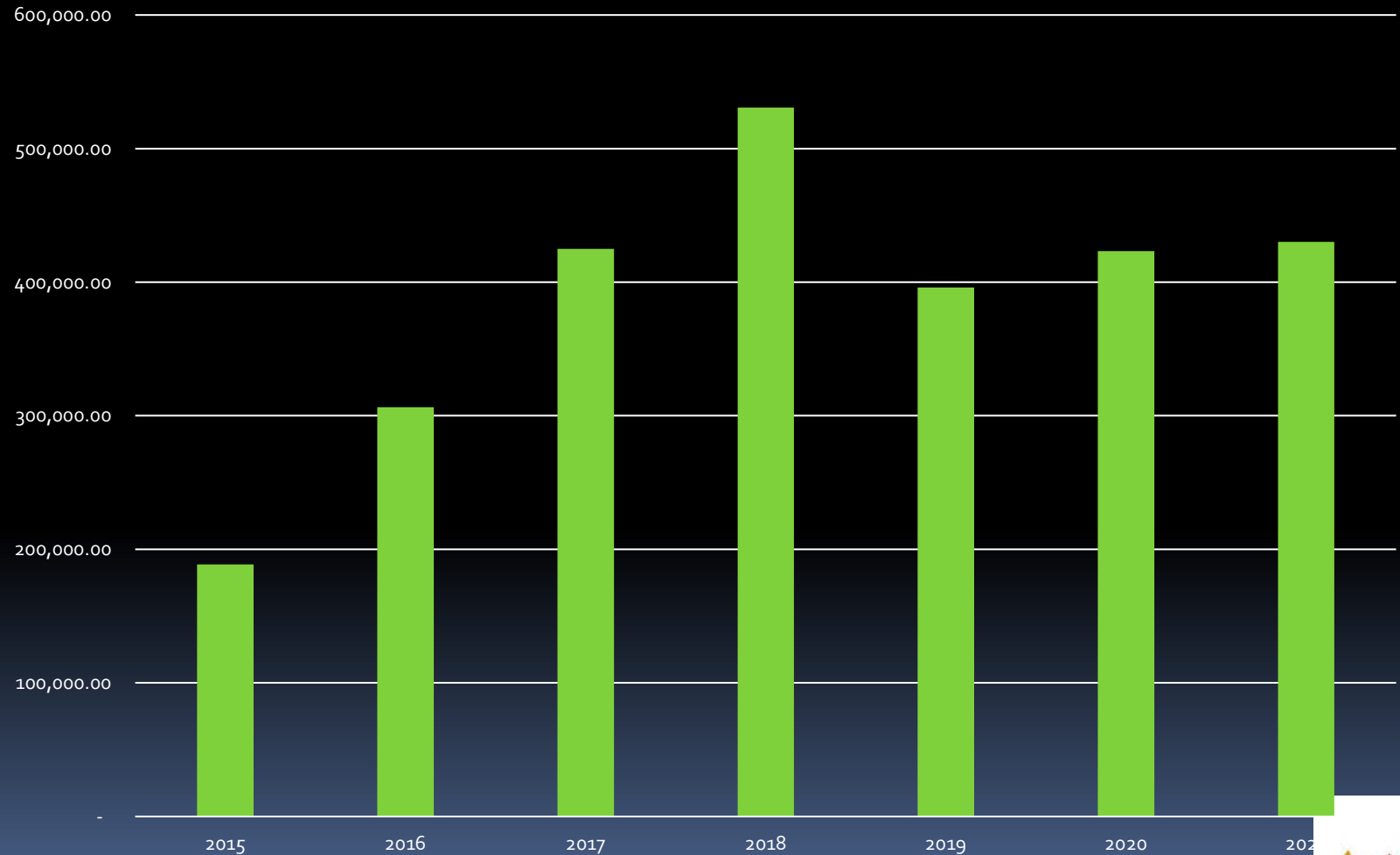
- Overall reserve and obligatory reserve balance are strong
- Estimated Reserve balance at end of 2021 is \$6,424,544
- Estimated Obligatory Reserve balance at end of 2021 is \$430,208
- Estimated Federal Gas Tax Balance at end of 2021 is \$1,288,532
- Reserves as a % of municipal expenses (How much money is set aside for future needs) is strong, which indicates a low level of risk and is an indicator that reserve balances are strong

# Reserve Balance





# Obligatory Reserve Balance



# Asset Management Plan

- What is an Asset Management Plan? - An **Asset Management Plan** (AMP) is a tactical plan for managing an organization's infrastructure and other assets to deliver an agreed standard of service.
- Cramahe's Asset Management Plan was approved by Council on October 17, 2017 and is currently undergoing a major revision to be completed end of 2021. Once the revision is complete, Cramahe will be O.Reg 588/17 compliant years ahead of schedule.
- The AMP will work in conjunction with a new Enterprise Software System (GIS, Building Permit, Work Order) system that is being implemented. Planned completion is mid 2021.

# Asset Management Plan

- Some of the Key Recommendations from Cramahe's Asset Management Plan passed in 2017 include
  - ❖ Increasing tax revenues by 2.5% each year for the next 10 years. Capital levy increase.
  - ❖ Allocating the current gas tax and OCIF revenue
  - ❖ Allocating the scheduled OCIF grant increases to the infrastructure deficit as they occur
  - ❖ Increasing existing and future infrastructure budgets by the applicable inflation index on an annual basis

# 2021 Budget Challenges

- COVID-19 - Loss of revenue, increase in tax arrears, increase expenditure for cleaning supplies, janitorial etc.
- Potentially less future grant money available and a more competitive process
- Infrastructure replacement and maintenance
- New government downloads and/or programs
- Long term cost inflation factors for benefits
- Insurance costs

# Next Steps

- Calculate consolidated tax rates using Municipal, County and School Board rates
- Draft Tax Rate By-Law
- Provide budget vs actual statements to all committees and departments on a monthly basis in an effort to manage expenses and stay within budget

# Closing Remarks

- Thank you to Council and staff for helping to prepare the 2021 budget
- This presentation will be available on our Municipal Website
- Questions?