

TOWNSHIP OVERALL

OPERATING BUDGET

Update 2023



DRAFT 2023 BUDGET

Executive Summary

The draft 2022-2024 budget presented by Administration on November 23, 2021 was approved by Council. The second year of the three-year budget (2022-2024) is positioned to address inflation and economic pressures, maintain the high-quality of municipal services, while advancing health and safety in South Stormont.

The three-year budget, approved in December 2021, anticipated a 3% tax rate increase for 2023. Year 2022 has proven to be a more difficult year to navigate. Administration has taken into consideration unprecedented levels of inflation, price escalation for the goods and services received, and competitiveness in the employee marketplace. Additional challenges include post COVID-19 revenue recovery issues, pressure from the Province as downloaded service responsibilities to municipalities continues and uncertainty of long-term grant opportunities.



Executive Summary cont'd.

Administration worked to align funding requests with strategic and operational priorities to allow for continued service delivery to community while advancing Council's priorities. In doing so, a tax rate of 3% remained; this means residents will see an increase to the Township portion of the levy of approximately \$30.71 per year for an average assessment of \$210,000 (or \$14.63/\$100,000 of assessment). The Education rate for 2023 has not changed and the Counties rates are unknown (they are meeting Feb 15-16 for 2023 Budget deliberations).

Highlights of the updated budget for 2022 include:

- The budget is balanced, with overall revenues of \$22.0M
- Operating Expenditures of \$12.6M, contribution to reserves of \$925K and capital project expenditures of \$8.4M



Inflationary Impacts

- ▶ Inflation is currently running at 20-year highs based in many metrics; while municipal spending is not necessarily reflective of the same types of purchases as consumer spending, inflation does nevertheless impact municipal operating budgets.
- ▶ There is the potential for further pressures to be experienced into the future as certain goods and services purchased through contracts will come up for renewal.
- ▶ Supply chain disruptions and increased demand for certain raw materials have resulted in many capital projects in the Township's approved capital plan experiencing inflationary pressures.



Inflationary Impacts cont'd.

- ▶ Capital projects in the Township's capital plan do account for inflation; however, the factor used during the multi-year budget development has been significantly outpaced.
- ▶ Budget amendments have been included in the 2023 Annual Budget Update to secure additional funding for a number of capital projects that are being impacted by inflation and are planned to proceed in 2023.
- ▶ In the coming months, easing of supply chain pressures, commodity price moderation, central bank actions, etc. may help moderate future inflationary impacts.



Financial Impacts of Bill 23

- ▶ On October 25, 2022, the Government of Ontario introduced Bill 23, the *More Homes Built Faster Act, 2022* which proposed changes to the Development Charges Act, Planning Act, Ontario Heritage Act, Municipal Act, Conservation Authorities Act and other statutes.
- ▶ November 28, 2022, Bill 23 received Royal Assent.
 - ▶ Financial Impacts:
 - ▶ Full and partial exemptions of Development Charges (DC's)
 - ▶ Mandatory 5-year phase-in of DC rates
 - ▶ Changes to eligible capital costs recoverable through DC's
 - ▶ Changes to parkland dedication

Assessment Change 2022 - 2023



MUNICIPAL
PROPERTY
ASSESSMENT
CORPORATION

Assessment Change Summary Township of South Stormont

The following chart provides a snapshot comparing the assessed value at the beginning of one taxation year (2022), to the assessed value at the beginning of the next taxation year (2023).

Property Tax Class (RTC) Description	RTC	Based on 2016 Current Value Assessment (CVA)			
		Destination CVA <i>At time of roll return for 2022 Tax Year</i>	2023 Tax Year <i>Destination CVA at time of roll return for 2023 Tax Year</i>	Percent Change <i>2022 - 2023 Tax Year</i>	Percent of Total CVA <i>Distribution of CVA between classes for 2023 Tax Year</i>
Residential	R	1,301,156,418	1,333,292,418	2.47%	77.29%
Multi-Residential	M	7,548,000	7,564,000	0.21%	0.44%
New Multi-Residential	N	-	404,000	0.00%	0.02%
Commercial	C	49,588,749	64,800,749	30.68%	3.76%
Office Building	D	1,028,000	1,028,000	0.00%	0.06%
Commercial (New Construction)	X	13,482,000	-	-100.00%	0.00%
Industrial	I	8,063,700	16,126,500	99.99%	0.93%
Large Industrial	L	6,692,500	6,692,500	0.00%	0.39%
Industrial (New Construction)	J	7,607,400	-	-100.00%	0.00%
Pipeline	P	61,680,000	61,780,000	0.16%	3.58%
Farm	F	179,757,900	180,309,700	0.31%	10.45%
Managed Forests	T	1,765,033	2,000,933	13.37%	0.12%
Railway Right-of-Way	W	-	-	0.00%	0.00%
Utility Transmission & Distribution Corridors	U	-	-	0.00%	0.00%
PIL - Residential	R	1,697,100	1,735,600	2.27%	0.10%
PIL - Commercial	C	6,437,200	6,234,200	-3.15%	0.36%
PIL - Landfill	H	48,300	48,300	0.00%	0.00%
PIL - Farm	F	36,000	36,000	0.00%	0.00%
Exempt	E	42,733,800	42,932,800	0.47%	2.49%
TOTAL		1,689,322,100	1,724,985,700	2.11%	100.00%

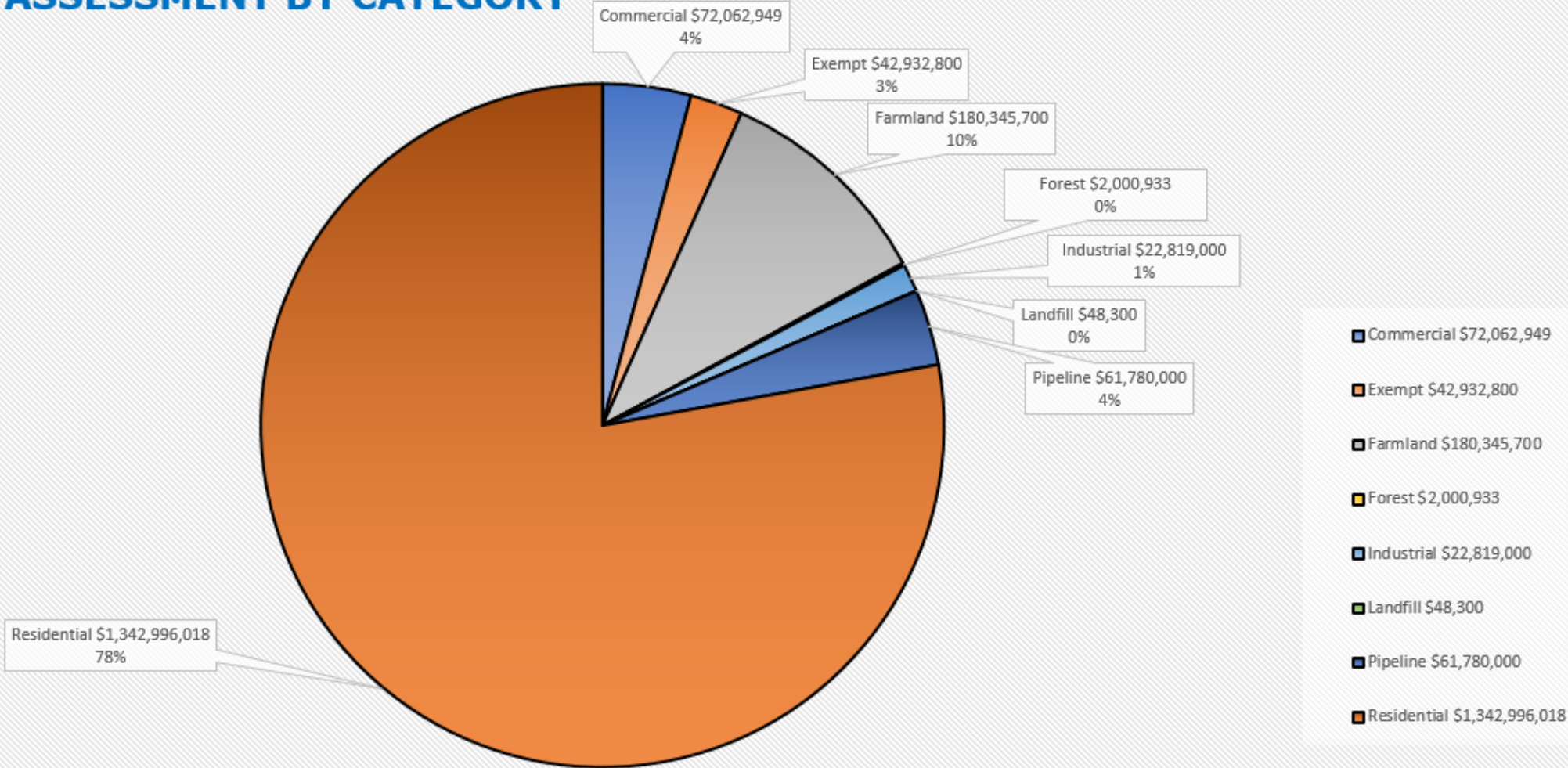
DRAFT 2023 BUDGET

Updated 2023 – 2024 Tax Levy with Growth in Assessment

Property Class	2022 Assessment	2022 Township			2023 Assessment	Projected 2023		Projected 2024	
		Approved Tax Levy	Tax Levy (3%)	Tax Levy (4%)		Tax Levy (3%)	Tax Levy (4%)		
Residential	\$ 1,310,401,518	\$ 6,388,456	\$ 6,580,109	\$ 6,843,314	\$ 1,342,996,018	\$ 6,743,781	\$ 7,013,532		
Commercial	\$ 70,535,949	\$ 556,725	\$ 573,426	\$ 596,363	\$ 72,062,949	\$ 585,687	\$ 609,114		
Industrial	\$ 22,363,600	\$ 282,433	\$ 290,906	\$ 302,542	\$ 22,819,000	\$ 295,478	\$ 307,297		
Farmland	\$ 179,793,900	\$ 219,133	\$ 225,707	\$ 234,736	\$ 180,345,700	\$ 226,400	\$ 235,456		
Landfill	\$ 48,300	\$ 340	\$ 350	\$ 364	\$ 48,300	\$ 350	\$ 364		
Forest	\$ 1,765,033	\$ 2,151	\$ 2,216	\$ 2,304	\$ 2,000,933	\$ 2,512	\$ 2,612		
Pipeline	\$ 61,680,000	\$ 411,319	\$ 423,659	\$ 440,605	\$ 61,780,000	\$ 424,346	\$ 441,320		
Exempt	\$ 42,733,800	\$ -	\$ -	\$ -	\$ 42,932,800	\$ -	\$ -		
Total	\$ 1,689,322,100	\$ 7,860,557	\$ 8,096,373	\$ 8,420,228	\$ 1,724,985,700	\$ 8,278,553	\$ 8,609,695		
						\$ 182,180	\$ 189,467		



2023 ASSESSMENT BY CATEGORY



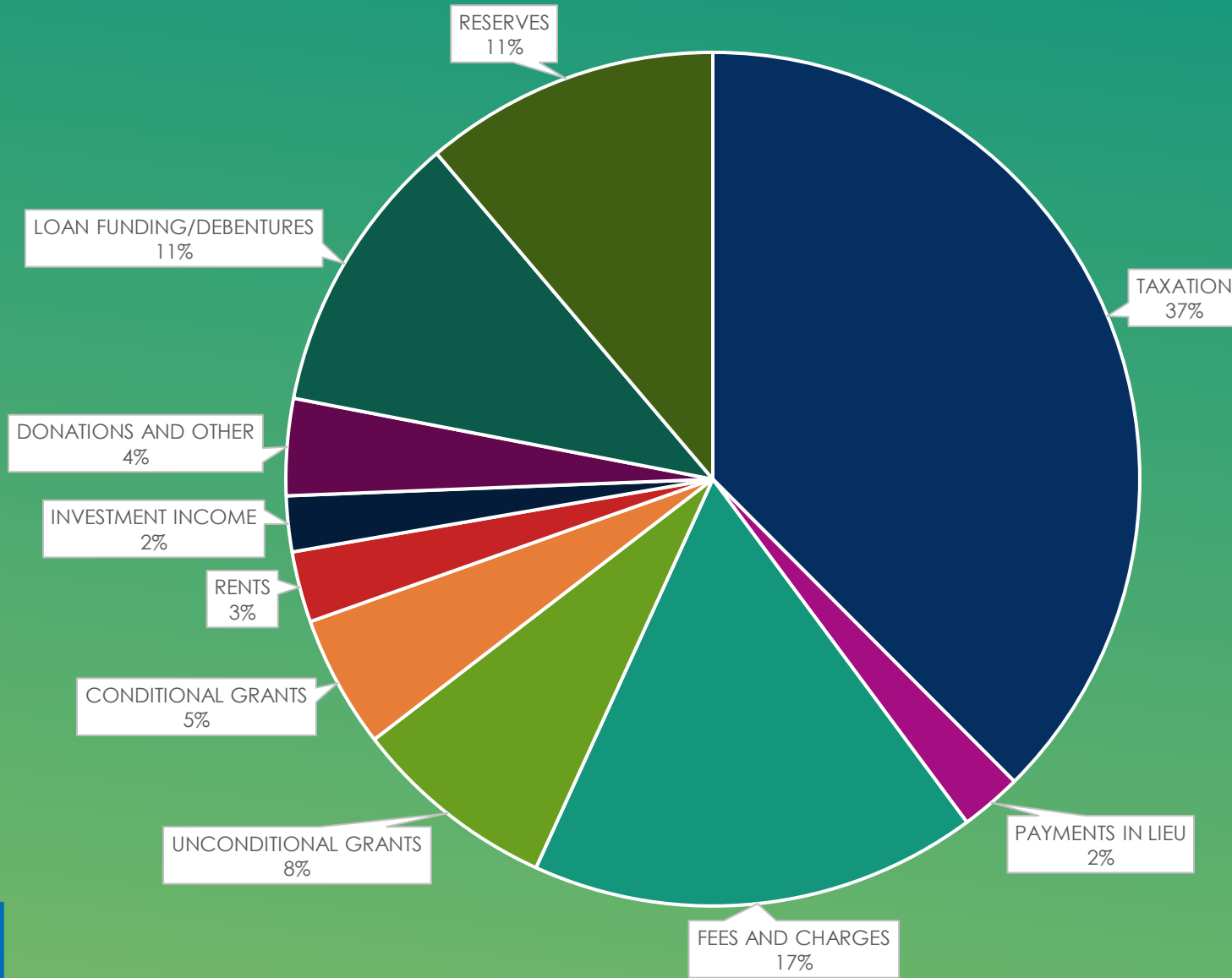
Operating and Capital Financial Summary – Township Overall

	Average 2019 to 2021	Final Budget 2022	Projection 2023	Projection 2024
Revenue:				
TAXATION	7,283,545	7,860,557	8,278,553	8,609,695
PAYMENTS IN LIEU	482,860	504,670	514,764	525,058
FEES AND CHARGES	1,204,096	1,428,304	3,737,560	1,701,221
UNCONDITIONAL GRANTS	1,640,588	1,662,049	1,714,166	1,293,643
CONDITIONAL GRANTS	1,121,494	2,504,858	1,107,400	2,925,132
RENTS	453,120	571,400	592,488	604,319
INVESTMENT INCOME	425,530	475,000	465,000	475,000
DONATIONS AND OTHERS	805,930	635,990	807,809	815,205
LOAN FUNDING/DEBENTURES	222,600	1,680,000	2,376,200	997,000
CONTRIBUTION FROM RESERVES	1,612,429	1,331,000	2,468,979	2,476,082
OTHER				
TOTAL REVENUE	15,252,192	18,653,828	22,062,919	20,422,356
Expenditures:				
GENERAL GOVERNMENT	2,887,843	3,793,112	6,600,029	4,273,152
PROTECTION OF PERSONS AND PROPERTY	126,215	179,092	272,371	144,264
FIRE AND RESCUE	1,519,873	2,043,349	1,784,996	1,674,876
TRANSPORTATION SERVICES	6,718,187	6,763,901	8,080,224	6,389,439
PARKS AND RECREATION	1,447,101	2,659,422	2,515,003	5,295,517
PLANNING BUILDING AND DEVELOPMENT	862,847	1,310,708	965,935	1,130,211
WASTE MANAGEMENT	1,587,130	1,724,843	1,693,472	1,352,014
DRAINAGE	102,996	145,709	150,889	162,884
CONTRIBUTION TO RESERVES		33,692	-	-
TOTAL EXPENDITURES	15,252,193	18,653,828	22,062,919	20,422,356
TOTAL OPERATING EXPENDITURES	10,542,486	12,149,513	12,683,384	13,163,678
TOTAL CONTRIBUTIONS TO RESERVES	448,537	849,515	925,658	947,049
TOTAL CAPITAL/PROJECT EXPENDITURE	4,261,170	5,654,800	8,453,877	6,311,628
TOTAL EXPENDITURES	15,252,193	18,653,828	22,062,919	20,422,356



DRAFT 2023 BUDGET

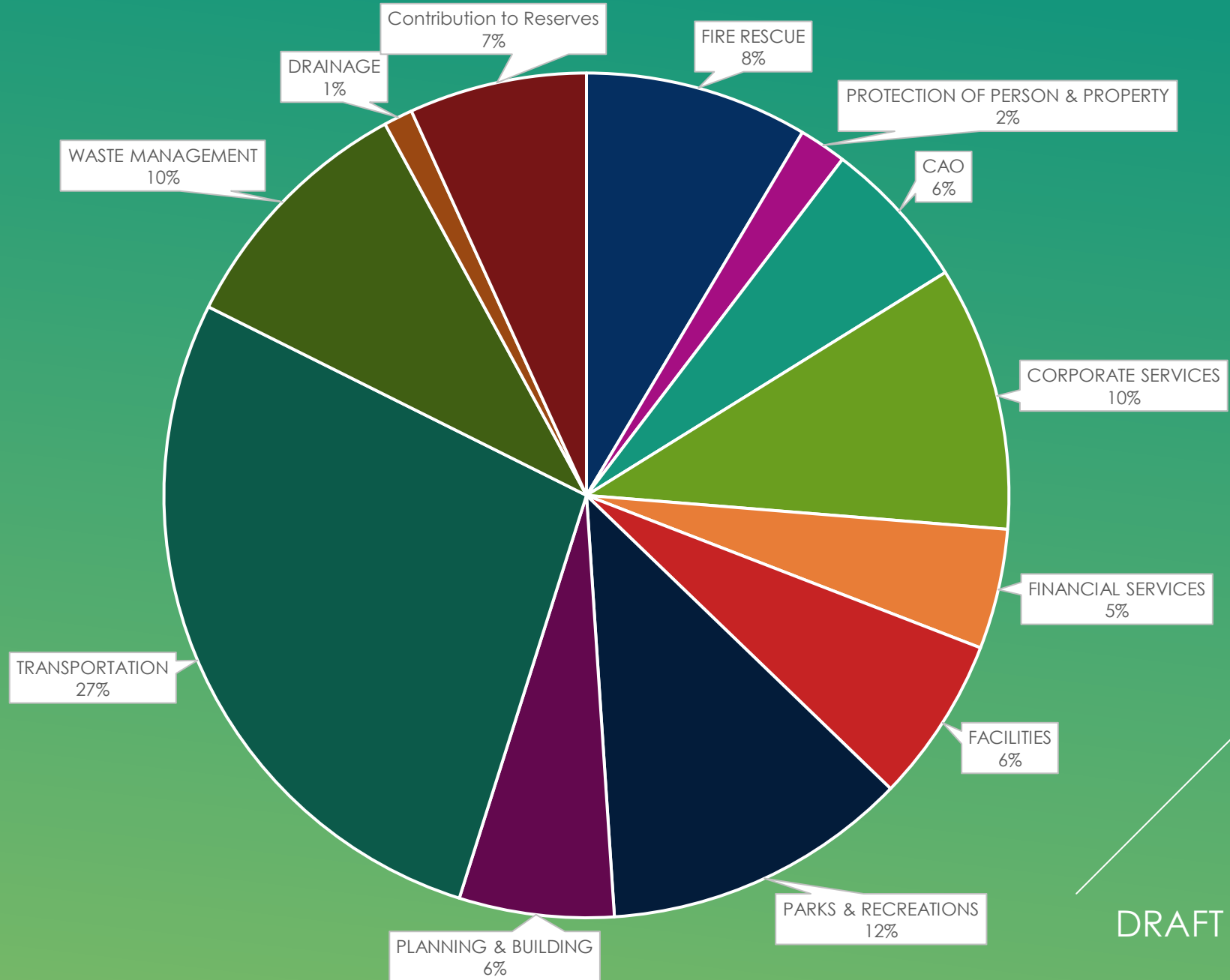
2023 Revenue



Operating Summary by Department – Expenditures

	Average 2019 to 2021	Final Budget 2022	Projection 2023	Projection 2024
OPERATING ONLY				
Expenditures:				
GENERAL GOVERNMENT	2,727,941	3,633,112	3,704,952	3,821,524
PROTECTION OF PERSONS AND PRO	126,215	179,092	272,371	144,264
FIRE AND RESCUE	1,134,125	1,138,349	1,136,996	1,349,876
TRANSPORTATION SERVICES	3,411,729	3,467,778	3,722,066	3,896,389
PARKS AND RECREATION	1,174,476	1,411,922	1,496,703	1,561,517
PLANNING BUILDING AND DEVELO	668,484	798,708	855,935	875,211
WASTE MANAGEMENT	1,196,520	1,374,843	1,343,472	1,352,014
DRAINAGE	102,996	145,709	150,889	162,884
SURPLUS TO TRANSFER TO RESERVES				
TOTAL EXPENDITURES	10,542,486	12,149,513	12,683,384	13,163,678
Contribution to Reserves			925,658	947,049
Total Operating Expenditure			13,609,042	14,110,728

2023 Operating Expenses by Department



DRAFT 2023 BUDGET

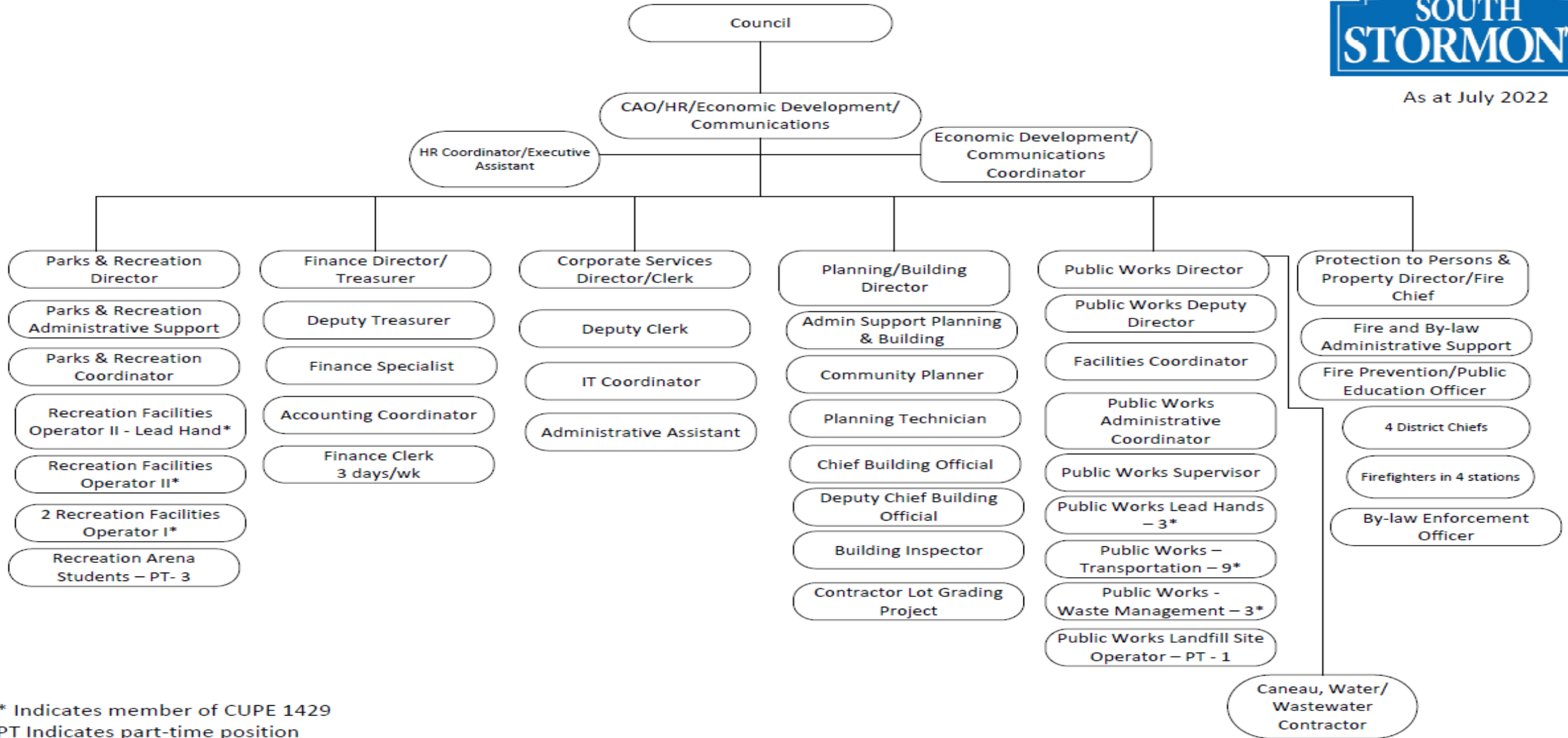
Capital Summary by Department – Expenditures

Capital Projects	Average 2019 to 2021	Final Budget 2022	Projection 2023	Projection 2024
Expenditures:				
GENERAL GOVERNMENT	83,699		2,785,077	341,628
PROTECTION OF PERSONS AND PRO	-			
FIRE AND RESCUE	302,415	580,000	323,000	
TRANSPORTATION SERVICES	3,156,458	3,106,300	4,162,500	2,296,000
PARKS AND RECREATION	250,958	1,162,500	833,300	3,549,000
PLANNING BUILDING	100,364	456,000	-	125,000
WASTE MANAGEMENT	367,276	350,000	350,000	
DRAINAGE	-	-	-	-
	4,261,170	5,654,800	8,453,877	6,311,628

Organizational Chart



As at July 2022



* Indicates member of CUPE 1429

PT Indicates part-time position

Volunteer Fire Fighters (92)

Does not include the following positions – Summer Students (23)

Staff Complement

Summary	2022	2023	Total Change
Mayor/Council	5	5	0
Full Time	47	50	3
Part Time (Hours)	12	13	1
Contract Positions	3	4	1
Fire Fighters	+/- 100	+/- 100	0
Total Employee's	167	172	5
Students	24	27	3

	2022	2023	Total Change
Council			
Mayor	1	1	0
Deputy Mayor	1	1	0
Council	3	3	0
CAO			
Full Time	3	3	0
Corporate Services			
Clerks Dept.			
Full Time	3	3	0
Part Time	0	0	0
Contract	1	0	-1
Information Technology			
Full Time	1	1	0
Financial Services			
Full Time	4	4	0
Part Time	1	1	0
Public Works			
Transportation			
Full Time	15	15	0
Part Time	3	3	0
Contract	1	4	3
Waste Management			
Full Time	3	3	0
Part Time	1	1	0
Facilities			
Full Time	1	1	0
Part Time			0

	2022	2023	Total Change
Protection of Persons and Property			
Fire Service			
Full Time	3	4	1
Part Time	0	0	0
Fire Fighters	+/- 100	+/- 100	0
By-Law			
Full Time	1	1	0
Part Time	0	1	1
Animal Control			
Full Time	0	0	0
Part Time	1	1	0
Planning and Building			
Planning			
Full Time	2	3	1
Part Time	0	0	0
Contract	1	0	-1
Building			
Full Time	4	4	0
Part Time	0	0	0
Parks & Recreation			
Full Time	7	8	1
Part Time	6	6	0
Summer Students			
Corporate Services	2	1	-1
Finance	1	1	0
Public Works	4	4	0
Parks & Recreation	17	20	3
By-Law	0	1	1



2023 Forecasted Reserves and Reserve Funds Balances

	Opening Balance	2023 Additions	2023 Deductions	2023 Proj. Bal
Reserves				
General Government	-\$2,073,709	-\$60,000	\$694,902	-\$1,438,807
Facility	-\$2,049,906	-\$250,000	\$263,077	-\$2,036,829
PPP / Fire and Rescue	-\$292,632	-\$50,000	\$228,000	-\$114,632
PPP - Animal Control	-\$50,000	-\$25,000		-\$75,000
Building	-\$66,405	-\$10,000		-\$76,405
Transportation Services	-\$279,182	-\$175,658	\$140,000	-\$314,840
Parks and Recreation	-\$937,956	-\$185,000	\$375,000	-\$747,956
Planning	-\$106,000			-\$106,000
Economic Development	-\$773,331	-\$50,000	\$417,000	-\$406,331
Environmental Services	-\$484,573	-\$20,000	\$350,000	-\$154,573
Total Reserves	-\$7,113,694	-\$825,658	\$2,467,979	-\$5,471,373
General Government-DC's	-\$55,159	-\$100,000		-\$155,159
Total Reserves Funds	-\$55,159	-\$100,000	\$0	-\$155,159
Total Reserves & Reserve Funds	-\$7,168,853	-\$925,658	\$2,467,979	-\$5,626,532

Debt Schedule 2023

GL Codes	2023 Projection	Opening	Advance	Payments	Principal	Interest	Closing
	2023 Debt Projection		2,376,200	68,898	34,472	34,426	2,341,728
	2022 Debt Projection	\$ -	\$ 620,000	\$ 34,911	\$ 14,805	\$ 20,106	\$ 605,195
2-7-2000-0800	20 Yr. Fire Truck	\$ 530,205	\$ -	\$ 35,666	\$ 22,512	\$ 13,154	\$ 507,693
5-7-4330-0800	30 Yr. Water - Windermere 201	\$ 275,030	\$ -	\$ 14,429	\$ 7,023	\$ 7,406	\$ 268,006
5-7-4311-0801	30YE Water - 2007	\$ 3,365,680	\$ -	\$ 290,493	\$ 200,634	\$ 89,860	\$ 3,165,046
2-7-1800-0800	Municipal Building - 2012	\$ 905,669	\$ -	\$ 244,715	\$ 214,708	\$ 30,007	\$ 690,962
2-7-5200-0800	Medical Clinic - 2015	\$ 1,013,051	\$ -	\$ 98,149	\$ 67,203	\$ 30,946	\$ 945,849
2-7-3500-0800	LTD Street Lights - 2015	\$ 122,060	\$ -	\$ 63,096	\$ 60,214	\$ 2,881	\$ 61,845
2-7-1610-0800	EMS Building 2021	\$ 552,755	\$ -	\$ 36,486	\$ 24,189	\$ 12,297	\$ 528,566
Excluding tile drains		\$ 6,764,450	\$ 2,996,200	\$ 886,843	\$ 645,761	\$ 241,083	\$ 9,114,890



2022 ANNUAL REPAYMENT LIMIT

(UNDER ONTARIO REGULATION 403 / 02)

MMAH CODE:	71618		
MUNID:	01009		
MUNICIPALITY:	South Stormont Tp		
UPPER TIER:	Stormont, Dundas and Glengarry UCo		
REPAYMENT LIMIT:		\$	3,146,297

The repayment limit has been calculated based on data contained in the 2020 Financial Information Return, as submitted to the Ministry. This limit represents the maximum amount which the municipality had available as of December 31, 2020 to commit to payments relating to debt and financial obligation. Prior to the authorization by Council of a long term debt or financial obligation, this limit must be adjusted by the Treasurer in the prescribed manner. The limit is effective January 01, 2022

FOR ILLUSTRATION PURPOSES ONLY,

The additional long-term borrowing which a municipality could undertake over a 5-year, a 10-year, a 15-year and a 20-year period is shown.

If the municipalities could borrow at 5% or 7% annually, the annual repayment limits shown above would allow it to undertake additional long-term borrowing as follows:

5% Interest Rate			
(a)	20 years @ 5% p.a.	\$	39,209,818
(a)	15 years @ 5% p.a.	\$	32,657,490
(a)	10 years @ 5% p.a.	\$	24,294,873
(a)	5 years @ 5% p.a.	\$	13,621,821
7% Interest Rate			
(a)	20 years @ 7% p.a.	\$	33,331,918
(a)	15 years @ 7% p.a.	\$	28,656,205
(a)	10 years @ 7% p.a.	\$	22,098,275
(a)	5 years @ 7% p.a.	\$	12,900,440

DETERMINATION OF ANNUAL DEBT REPAYMENT LIMIT

(UNDER ONTARIO REGULATION 403/02)

MUNICIPALITY:

South Stormont Tp

MMAH CODE:

71618

		1
		\$
Debt Charges for the Current Year		
0210	Principal (SLC 74 3099 01)	577,362
0220	Interest (SLC 74 3099 02)	228,816
0299	Subtotal	806,178
0610	Payments for Long Term Commitments and Liabilities financed from the consolidated statement of operations (SLC 42 6010 01)	0
9910	Total Debt Charges	806,178

		1
		\$
Amounts Recovered from Unconsolidated Entities		
1010	Electricity - Principal (SLC 74 3030 01)	0
1020	Electricity - Interest (SLC 74 3030 02)	0
1030	Gas - Principal (SLC 74 3040 01)	0
1040	Gas - Interest (SLC 74 3040 02)	0
1050	Telephone - Principal (SLC 74 3050 01)	0
1060	Telephone - Interest (SLC 74 3050 02)	0
1099	Subtotal	0
1410	Debt Charges for Tile Drainage/Shoreline Assistance (SLC 74 3015 01 + SLC 74 3015 02)	37,660
1411	Provincial Grant funding for repayment of long term debt (SLC 74 3120 01 + SLC 74 3120 02)	0
1412	Lump sum (balloon) repayments of long term debt (SLC 74 3110 01 + SLC 74 3110 02)	0
1420	Total Debt Charges to be Excluded	37,660
9920	Net Debt Charges	768,518

		1
		\$
1610	Total Revenue (SLC 10 9910 01)	18,491,203
Excluded Revenue Amounts		
2010	Fees for Tile Drainage / Shoreline Assistance (SLC 12 1850 04)	8,790
2210	Ontario Grants, including Grants for Tangible Capital Assets (SLC 10 0699 01 + SLC 10 0810 01 + SLC 10 0815 01)	2,129,125
2220	Canada Grants, including Grants for Tangible Capital Assets (SLC 10 0820 01 + SLC 10 0825 01)	242,193
2225	Deferred revenue earned (Provincial Gas Tax) (SLC 10 830 01)	0
2226	Deferred revenue earned (Canada Gas Tax) (SLC 10 831 01)	435,000
2230	Revenue from other municipalities including revenue for Tangible Capital Assets (SLC 10 1098 01 + SLC 10 1099 01)	0
2240	Gain/Loss on sale of land & capital assets (SLC 10 1811 01)	4,334
2250	Deferred revenue earned (Development Charges) (SLC 10 1812 01)	0
2251	Deferred revenue earned (Recreation Land (The Planning Act)) (SLC 10 1813 01)	12,500
2252	Donated Tangible Capital Assets (SLC 53 0610 01)	0
2253	Other Deferred revenue earned (SLC 10 1814 01)	0
2254	Increase / Decrease in Government Business Enterprise equity (SLC 10 1905 01)	0
2255	Other Revenue (SLC 10 1890 01 + SLC 10 1891 01 + SLC 10 1892 01 + SLC 10 1893 01 + SLC 10 1894 01 + SLC 10 1895 01 + SLC 10 1896 01 + SLC 10 1897 01 + SLC 10 1898 01)	0
2299	Subtotal	2,831,942
2410	Fees and Revenue for Joint Local Boards for Homes for the Aged	0
2610	Net Revenues	15,659,261
2620	25% of Net Revenues	3,914,815
9930	ESTIMATED ANNUAL REPAYMENT LIMIT	3,146,297
		(25% of Net Revenues less Net Debt Charges)



Grants and Funding Summary

<u>Grants & Funding</u>	<u>Description (case/project #)</u>	<u>2021 Grants</u>	<u>2022 Grants</u>	<u>2023 Grants</u>	
		<u>Approved Funding</u>	<u>Approved Funding</u>	<u>Approved Funding</u>	<u>Application Submitted</u>
OMPF		\$902,600	\$933,000	\$978,800	
OCIF		\$314,843	\$639,449	\$735,366	
Federal Gas Tax (CCBF)		\$815,493	\$415,786	\$433,863	
Federal Student Grant		\$85,434	\$50,400		\$50,500
2021 Covid-19 Recovery Funding		\$216,568			
Celebrate Canada Funding		\$7,000	\$7,000		\$7,000
Recycling Grant -Stewardship Ont.		\$119,828	\$218,313	\$218,313	
Recycling Grant -Aggregate Resource		\$106,430	\$100,220	\$100,220	
Green Municipal Fund (GMF)		\$58,819			
Barlow Community Benefit Fund		\$20,000	\$20,000	\$20,000	
OMAFRA - Drainage Grant		\$7,135			
Ont. Fire Marshall	Ontario Fire Marshalls	\$7,800			
Enbridge Fire Training Grant	Enbridge - Fire Training	\$7,500			
ICIP - Accessible play structures	Case # 2019-11-1-1421770085	\$113,845			
ICIP - Community Parks Pavilion Projects	Case # 2019-10-1-1419238020	\$213,757			
ICIP - Community Park Multi-Use Path Project	Case # 2021-02-1-1564761004	\$99,999			
Municipal Modernization Program Intake 2	Case # 2021-03-1-1576451204	\$316,290			
Additional funds C of Cornwall-Covid Relief	Additional Covid Funding (Cornwall)	\$78,672			
Drain Grant		\$6,001			
Drainage Supervisor (OMAFRA)		\$2,330	\$2,330	\$2,330	
2021 Total		\$3,500,344			
MMP Intake #3-Third Party Review	2021-08-1-1626171209		\$101,760		
MMP Intake #3-Implementation Stream	2021-10-1-1636013176		\$339,181		
New Horizon (Seniors Grant)	018209445		\$9,400		
Ontario Trillium Fund	CC118011-Multi Use Path (Arnold Bethune park)		\$305,000		
IESO - Save On Energy Grant (Arena LED lights)	1023369		\$10,476		
Canada Community Revitalization (6-projects)	1000569, 1000571, 1000573, 1000575, 1000580, 1000566		\$364,500		
ICIP - Green Stream 2021	Case # 2021-09-1-1628125009		\$1,094,049		
FCM - Municipal Asset Mgmt Prog (MAMP)	MAMP - 18148		\$50,000		
FCM - Energy Efficiency Study LS Arena	GMF 18360		\$56,000		
2022 Total			\$4,716,863		
Ontario Trillium Fund Capital Grant	Lloyd Hawn Park- Newington			\$49,300	
2023 Total				\$2,538,192	\$57,500

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