



# BUDGET 2016

Township of Horton  
Public Meeting – February 29, 2016  
7 p.m.

# Asset Management and Long Term Financial Strategies

- Historically the budget was an exercise to produce a tax rate.
- Through many financial reporting requirements by the Province, municipalities have been forced to use the budget process as a financial management tool.
- Our Asset Management Plan is one of the financial tools used to guide the municipal decision making process.
- Committees have reviewed their 10 year capital budgets and Council will be completing a final review and adopting a 10 Year Long Term Financial Strategy in the very near future.
- It is important that the public is engaged when the Township is considering amending or adding services prior to annual budget deliberations.

# Asset Management and Long Term Financial Strategies Continued

- The budget cannot always be about the annual bottom line % increase. Sufficient funds have to be raised to meet the obligations of the Corporation to ensure our core services have been met and that a source of funding will be available to replace our Tangible Capital Assets.
- The Township's Asset Management Plan indicates that in order to maintain our roads network at a condition rating of 7, the Township should be investing \$625,000 annually. This is equal to a 32.4% levy increase. Since this is not financially feasible, it is recommended by staff that the Township continue transferring funds to the Road Infrastructure Reserves. 2016 transfer is \$66,602.

# Asset Management and Long Term Financial Strategies Continued

- In 2013 our roads network was at a condition rating of 6.2, since then with deferring some of the projects our roads network is now at a condition rating of 5.82.
- Our strategies to date will not ever maintain our road infrastructure without infrastructure funding from other levels of government.
- It is imperative that we address the infrastructure gap.
- Based on our current fiscal index as defined by the Province, we have not been successful in obtaining grant dollars for our deteriorating infrastructure.

# Budget Process

- Budget Worksheets are distributed to Managers and Committees with Payroll numbers already populated.
- Chairs and Managers bring worksheets forward to their committees for discussion and recommendation to the General Government Committee.
- The former Finance Committee met on several occasions to review the Departmental Budget Summary, 2016 Capital Financing and Forecasted Reserves Schedules.
- The General Government Committee met once again February 17, 2016 to discuss various tax levy scenarios and the impact on an average single family dwelling.
- A Public Budget Meeting was then called for February 29<sup>th</sup>, 2016 at 7 pm.

# Assessment Growth

- Assessment growth is estimated at 1.3% per MPAC for all property classes.
- Residential growth is 1.6%.
- This increase is equal to a levy increase of approximately \$25,100.

# Highlights

- Increase in OMPF from \$211,700 to \$213,600 = 0.8%
- 2016 budget includes one summer student.
- 2016 Capital Projects are as follows:
  - Replacement of Township Entrance Signs
  - Map/Drawing Storage System
  - Boat Launch - Pump House and Washroom
  - Well work at the Fire Hall and a Dry Hydrant
  - Roads – Continue with Gravel Program, Thomson Rd work, Lawn Tractor Trailer and Vehicle Exhaust System
  - Landfill Site – Complete Buildings, Snow Blower, Compactor Truck, Debris Fence
  - Recreation – Farrell's Landing Linear Park, Parking Lot Drainage, Roll Down Door and In Floor Heating at the Hall

# Highlights

- 2016 budget continues to include transfers to Reserves for Maintenance and Replacement of the Townships Infrastructure. The Reserve Balance has grown from \$603,765 in 2010 to a forecasted \$1,353,813 in 2016.
- Increase in OPP costs from \$329,059 to \$421,170 = to a 4.8% levy increase. Since 2007 OPP has increased 121.8%.
- 2016 budget continues with debt payments. Our debt at the end of 2016 will be \$390,730 which is a reduction of \$491,108 since 2010.



# Tax Rate Impact on a Typical Residential Property – Township Levy Only

## Increase In levy by OPP Increase, COLA, Growth less OPP Growth

(\$92,111 + \$42,225 + \$25,100 - \$12,098)

2015 **.00518299** x \$215,250=\$1,115.64

2016 Proposed **.00532630** x \$221,000 = \$1,177.11

Township Tax Increase of \$61.47 or 5.51%



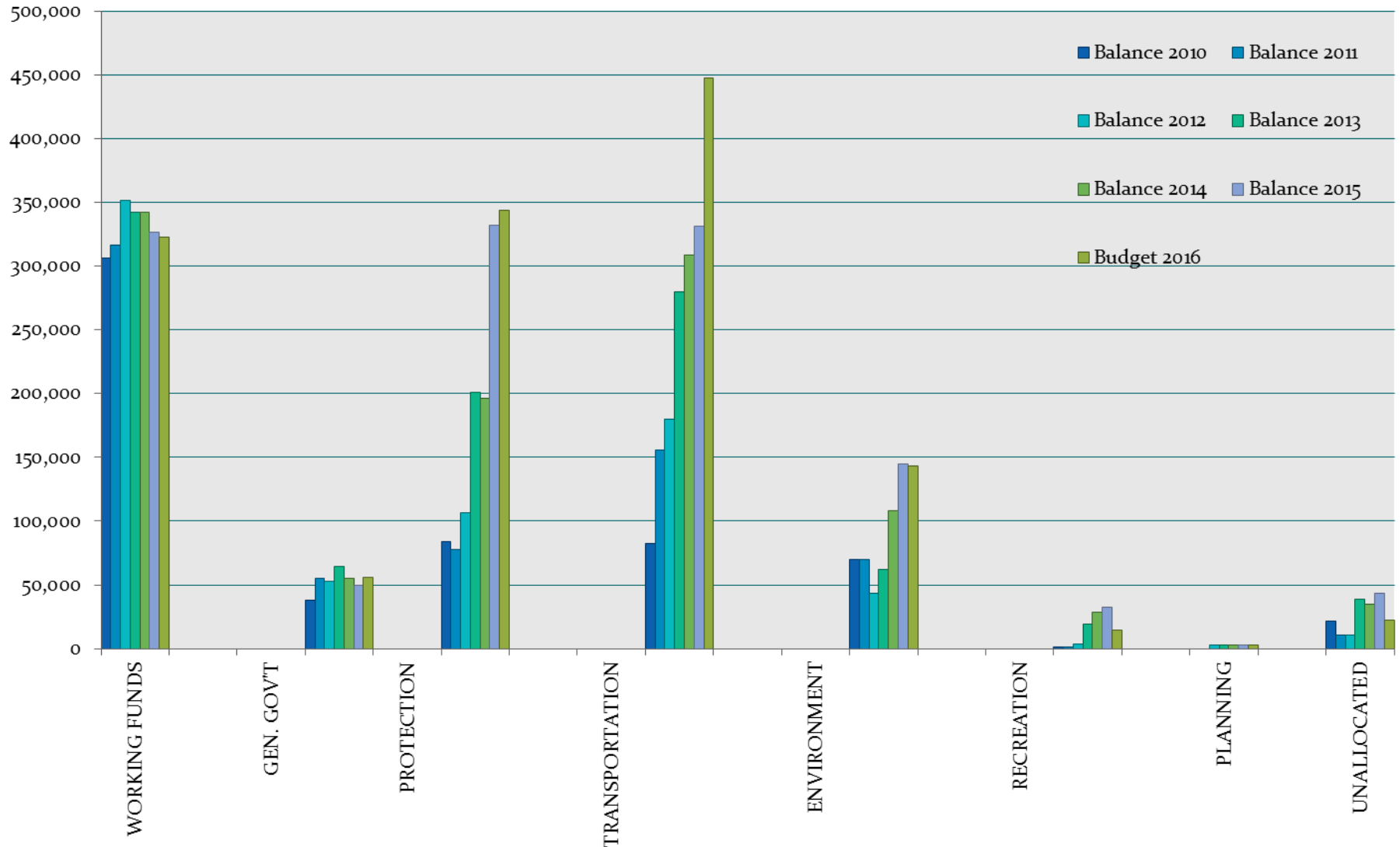
### Tax Impacts

- 1,363 will increase an avg of \$ 39
- 165 will increase an avg of \$ 141
- 79 will increase an avg of \$ 248
- 21 will increase an avg of \$ 355
- 5 will increase an avg of \$ 568

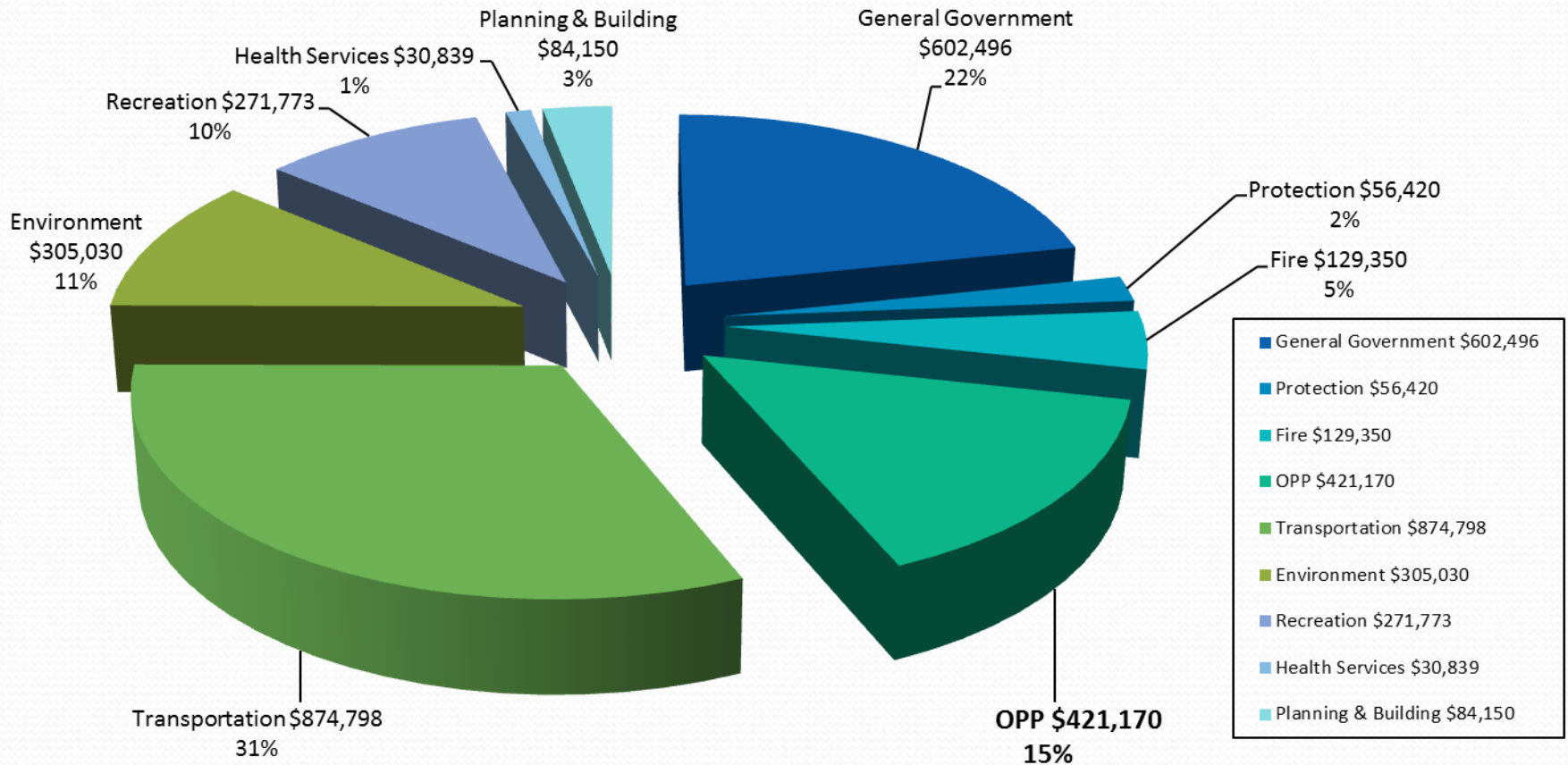
### Single Family Home – 2.93% Seasonal Recreational – 5.87%

*Note that changes to valuation affect tax burden distribution between classes as well as municipalities when within a two tier structure. The above does not consider the 50% Industrial Levy Restriction nor County and Education Tax Rates. Only the average assessment for a single family home in the above example, it should be understood that there are multiple properties that will see increases or decreases throughout the Township.*

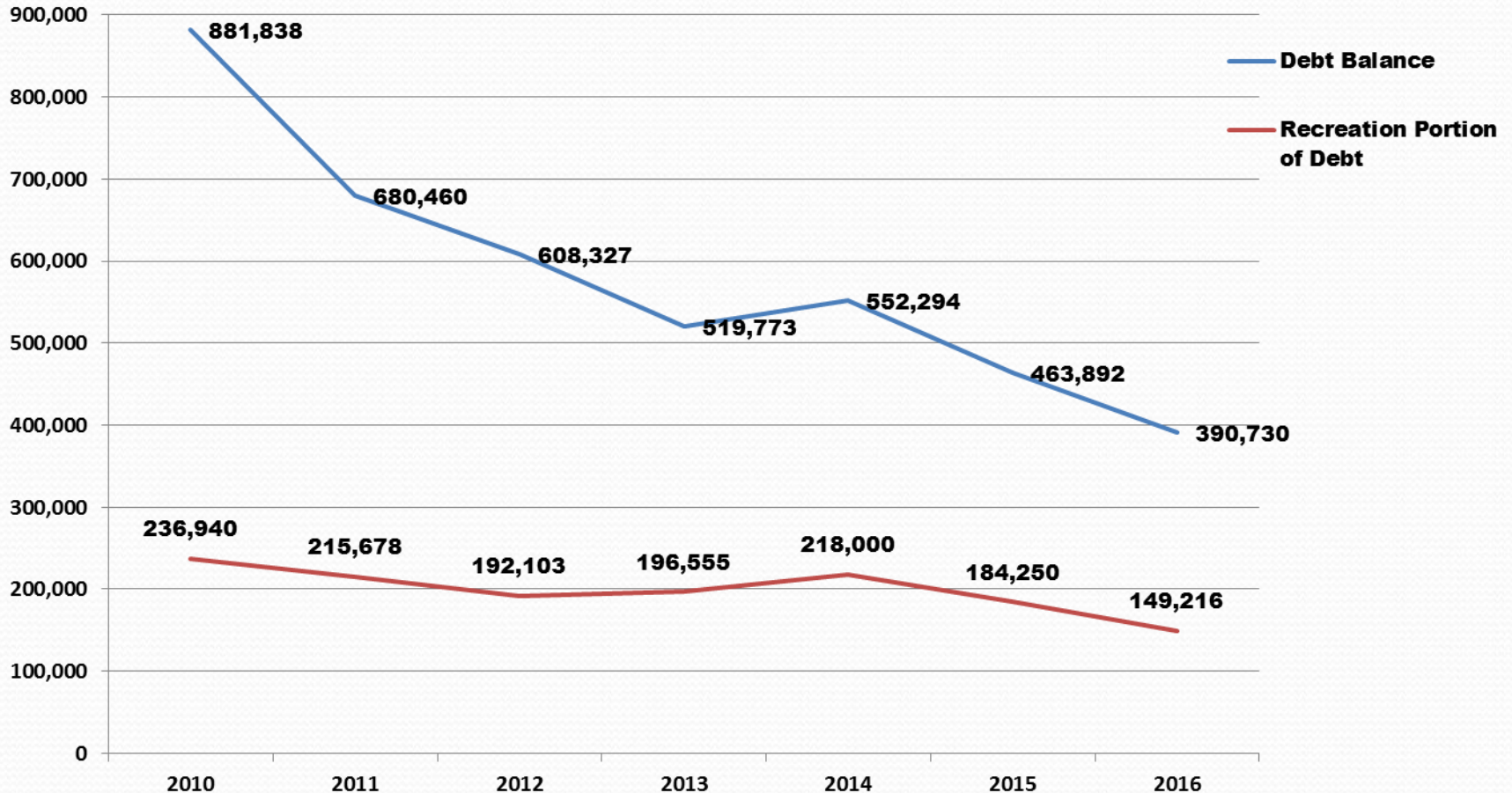
# Reserves



# 2016 Departmental Operating Budgets



# Township Debt



The Township debt was \$881,838 in 2010 and is forecasted to be \$390,730 for the year ending 2016. Since 2010, the Recreation Committee has raised \$116,465 towards the Recreation Debt.

# Future Impacts

- OPP Billing Model will continue to impact the annual levy.
- Lack of Long Term Funding and the increase in the Infrastructure Deficit will continue to impact the condition of our Tangible Capital Assets and potentially service levels.

# Closing Remarks

- Thank you to Council, committees, and staff for their help in preparing the 2016 budget.
- This presentation is available on our Municipal Website at [www.hortontownship.ca](http://www.hortontownship.ca)
- Questions?