



# 2021 PROPOSED BUDGET



# Agenda

- ✓ A message from the Treasurer
- ✓ Understanding Municipal Taxes & 2021 Impact
- ✓ 2021 Capital Budget Review
- ✓ 2021 Operational Budget Overview
- ✓ 2021 Water/Wastewater Overview
- ✓ Debt Balance & Reserve Transfers
- ✓ Recommendation

# A Message from the Treasurer

On behalf of staff and the budget committee, I am pleased to present the 2021 draft operating budget for Council approval. While the priority of this budget was control on spending; staff were aware of the impact of COVID has on our budget and our need to conserve the programs, services and infrastructure of North Middlesex for our residents.

Staff understands the financial pressures many tax payers are facing especially due to the pandemic and we have tried to find an appropriate balance.

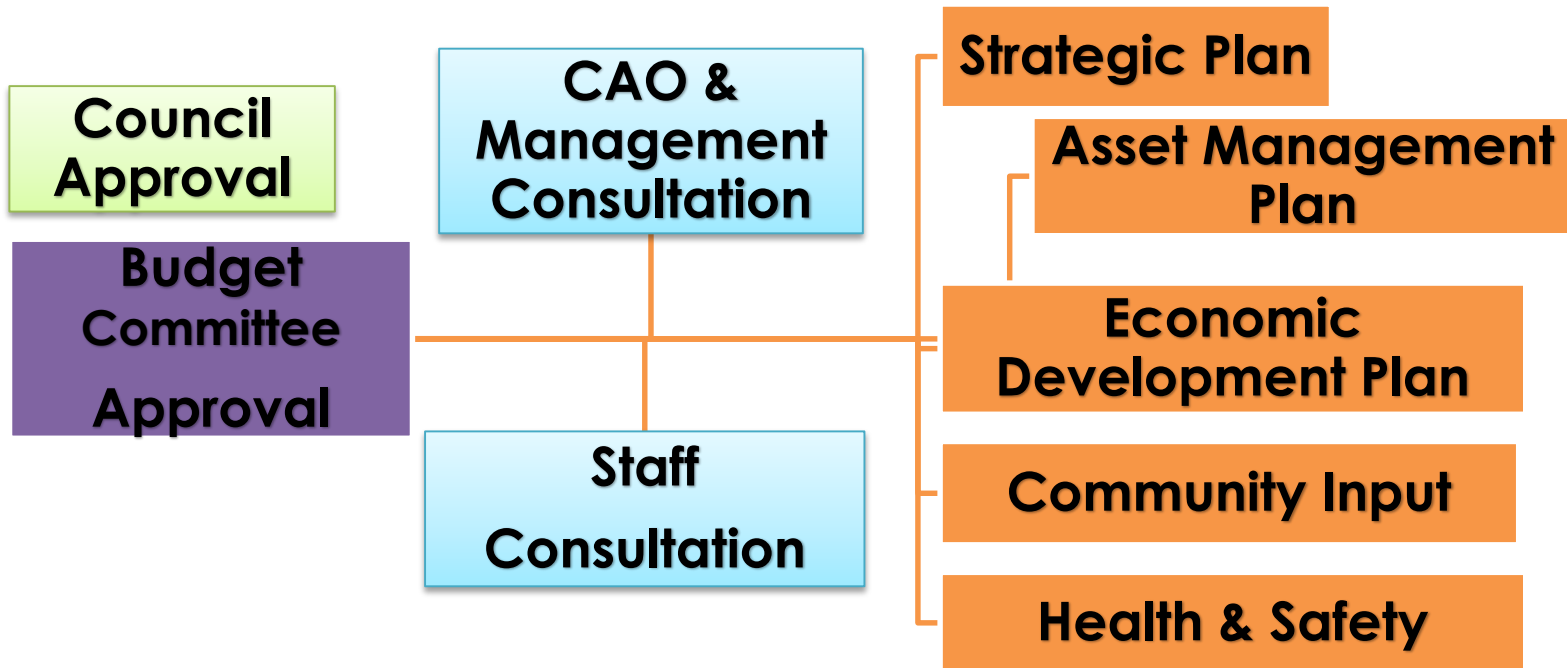
The 4.5% decrease, represented by a .0004% decrease in the tax rate maintains the current level of services, as well as, allows for transfers to reserves for future capital investments.



**A big thanks to all  
staff and the 2021  
Budget  
Committee**



## 2021 Budget Process



# 2021 Consolidated Budget

	Gross Expenditures	Gross Revenues	Net Tax Levy Requirement
Tax Supported Operating	\$10,169,344	\$2,078,565	\$8,090,779
Water Rate Supported Operating	\$2,370,002	\$2,370,002	\$0.00
Wastewater Rate Supported Operating	\$1,496,666	\$1,496,666	\$0.00
2021 Capital	\$10,328,500	\$7,078,500**	\$0.00
**difference will be made up in future debt/user rates			

# How do we determine the tax rate?

Total Assessments  Tax Ratio set by Province/County  Total Weighted Assessments

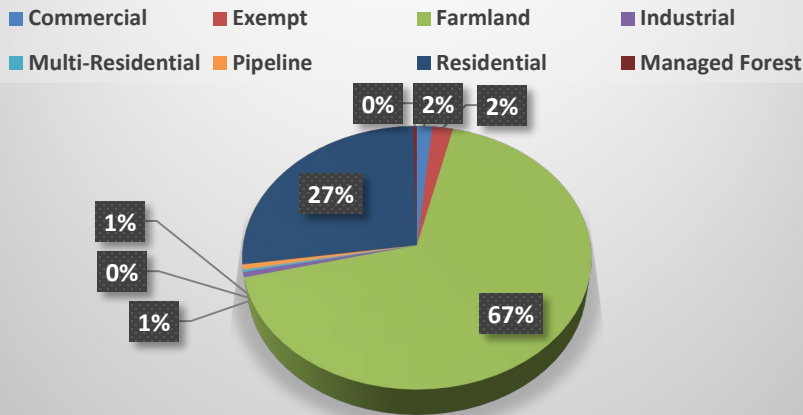
Total Tax Supported Budget  
Total Weighted Assessment  Residential Tax Rate

# 2021 Assessment

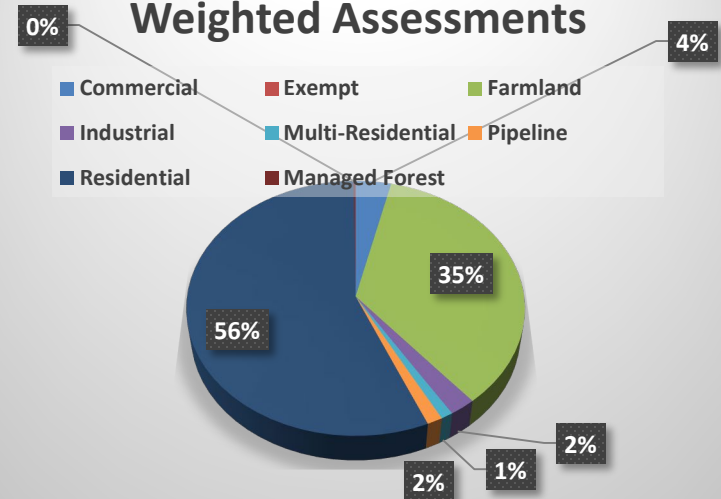
A strong assessment base is critical to a municipality's ability to generate revenues. Property assessment is the basis upon which municipalities raise taxes.

	2020	2021		%age Change By Line
	2020 ASSESSMENT	2021 ASSESSMENT	CHANGE IN ASSESSMENT	
<b>TOTAL ASSESSMENT</b>	2,121,601,300	2,129,280,900	<b>7,679,600</b>	0.36%
<b>WEIGHTED ASSESSMENT</b>	1,024,811,836	1,020,787,113	<b>(4,024,723)</b>	-0.39%

### Unweighted Assessments



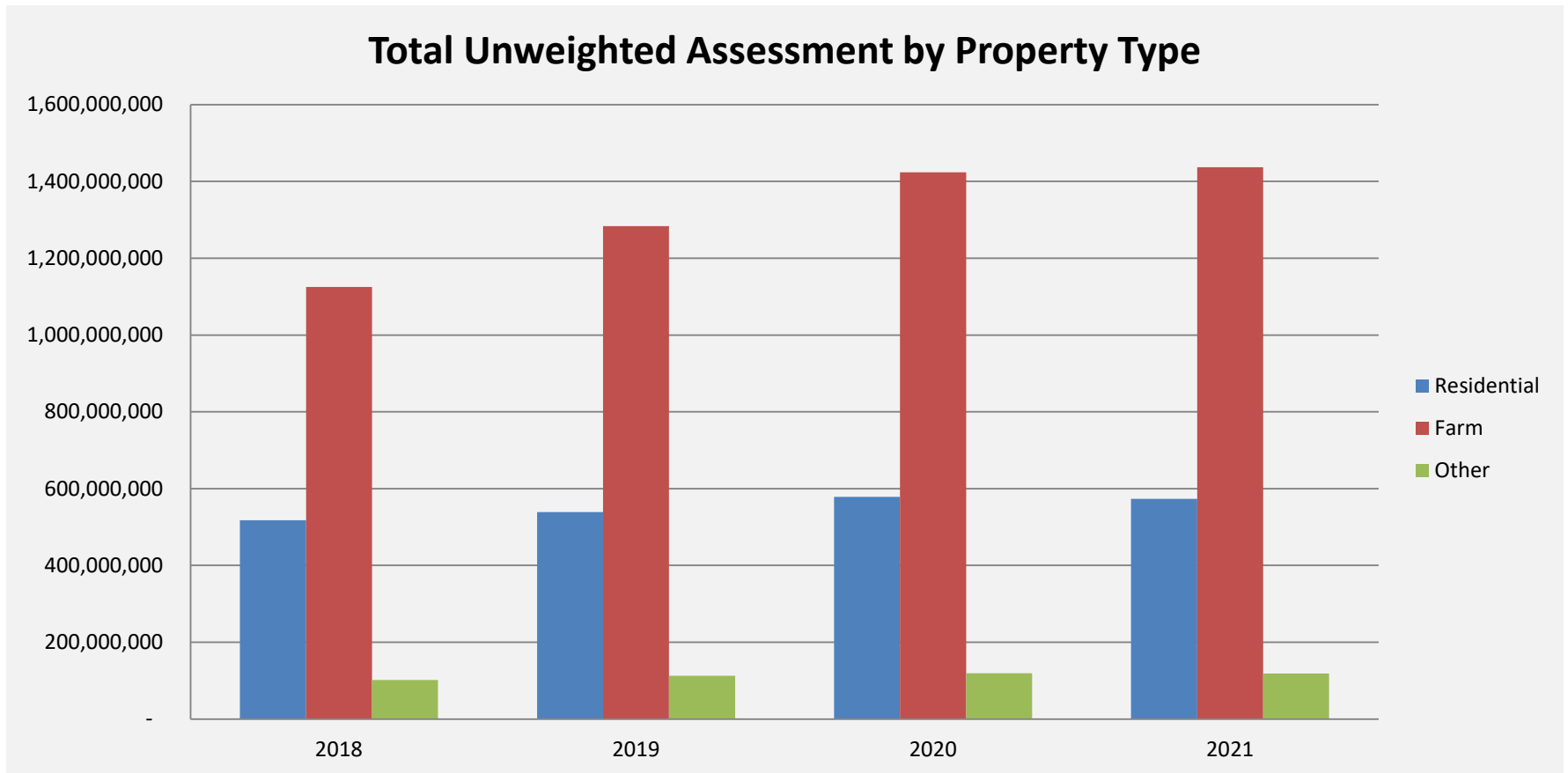
### Weighted Assessments





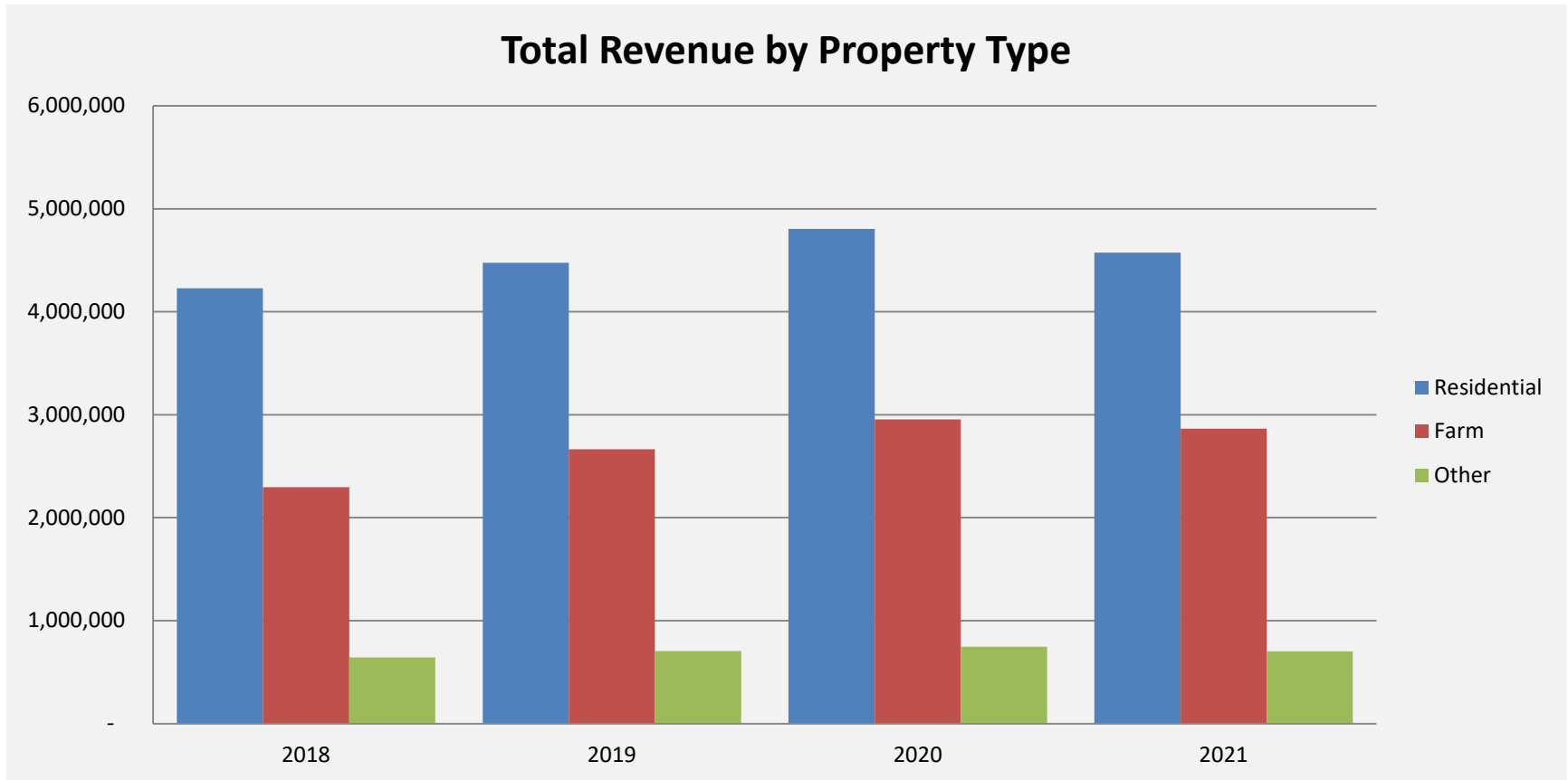
# 2021 Assessment Breakdown

This graph represents the total unweighted assessment by property type from 2018 to 2021, with a focus on residential and farm.



# 2021 Revenue Breakdown

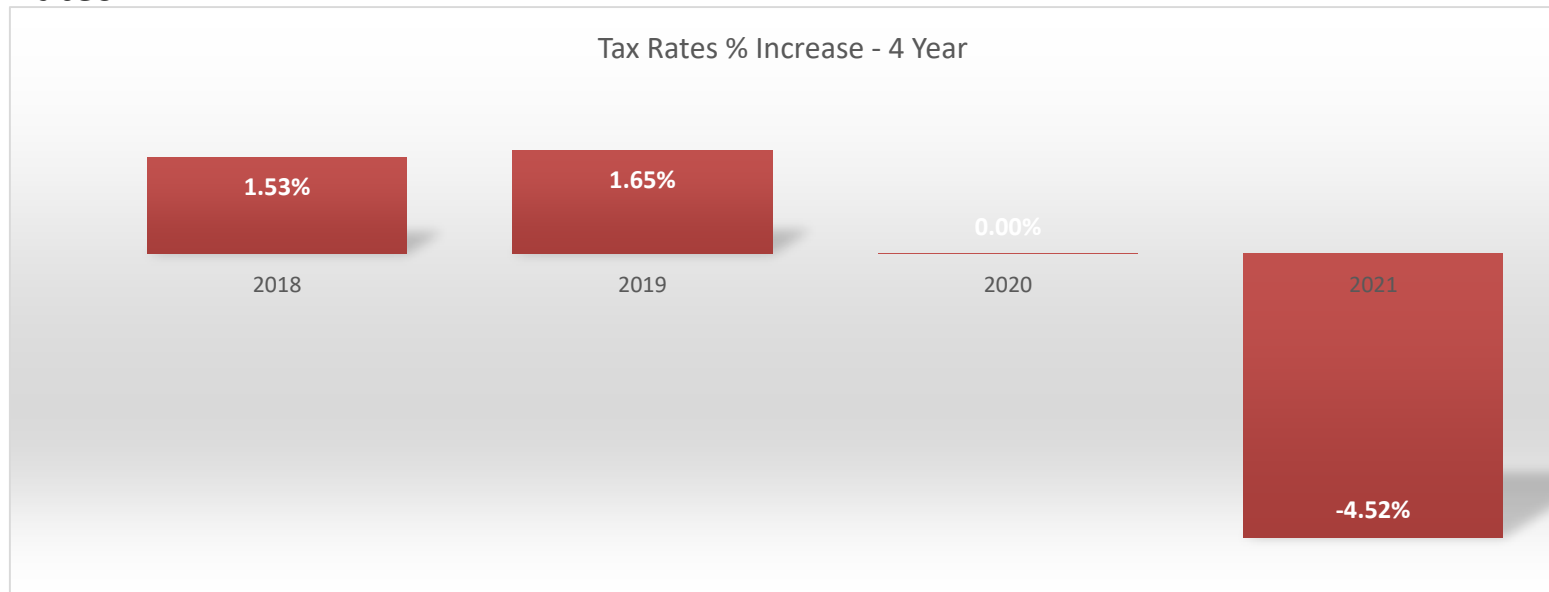
This graph represents the total revenue collected by property type from 2018 to 2021, with a focus on residential and farm.



# 2021 Tax Rate Decrease

We were able to decrease the tax rate and keep the budget balanced.

The 2021 tax rate decrease is 0.0004%, excluding county and school board rates.



**Note:** County tax rates are set by the County of Middlesex and School Board tax rates are set by the Provincial Government.

# 2021 Tax Rate Impact

<u>2020</u>	<u>2021</u>	General Tax	
Tax Rate	Tax Rate	Rate Decrease	% Change
<b>0.00829942</b>	<b>0.00792602</b>	0.00037307	<b>(4.50%)</b>

## Municipal Portion of Taxes

2020 Taxes \$1922



2020 Phased-in  
Assessment \$231,558

2020 Taxes \$1,835



2021 Phased-in  
Assessment \$231,558

### Difference

Annual (86.46)

Monthly (7.20)

Daily (\$.24)





## 2021 Capital Budget – Approved Dec 16, 2020

### Working Toward Sustainable Growth

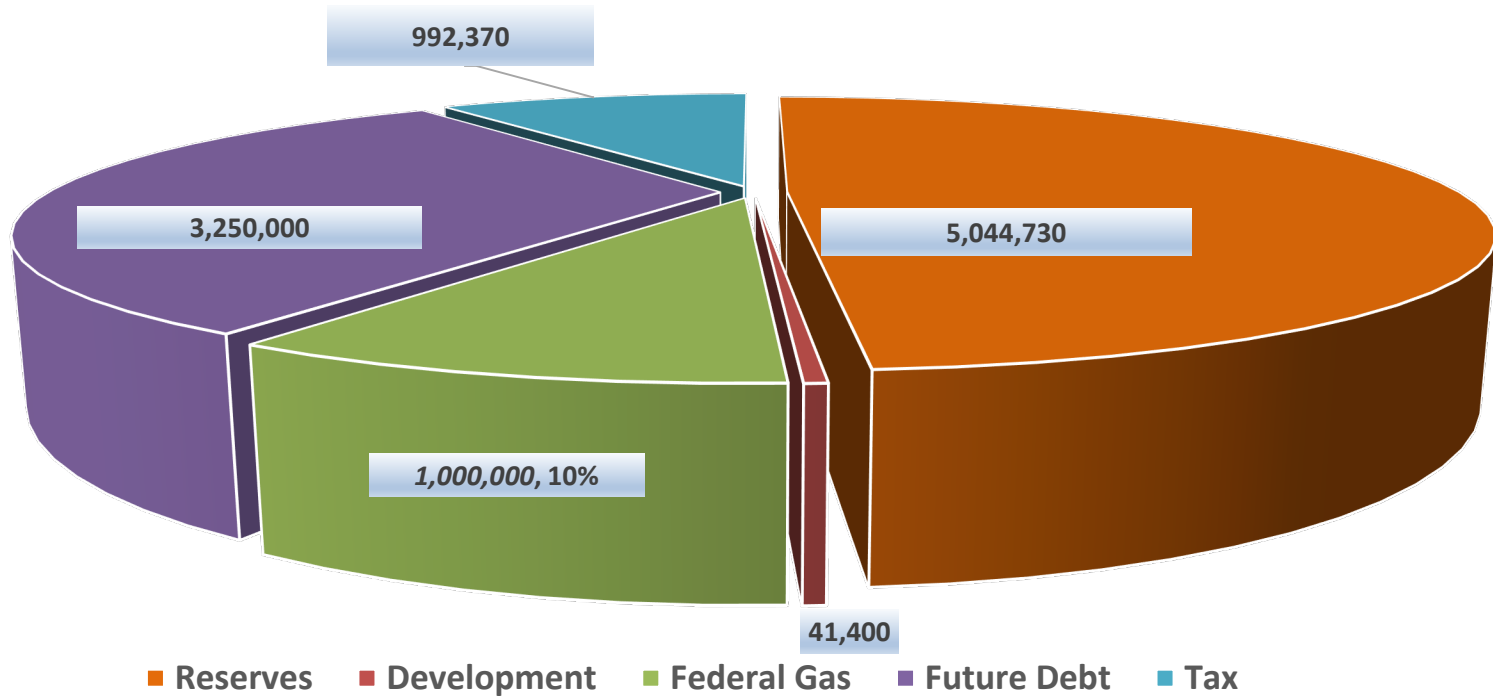




## 2021 Capital Budget Finance Sources

1. **Debt** : Long term borrowing
  2. **Gas Tax** : to support local infrastructure priorities
  3. **Vibrancy Funds** : Per policy \$125,000 tax mitigation/year
  4. **Development Charges**: pay for the cost of infrastructure required to provide municipal services resulting from growth
- Capital Working Reserve** : ear-marked for capital projects/expenditures, prior year reserve allocations & surpluses from operations
1. **Vehicle & Equipment Reserve**: Prior Year reserve allocations from operations
  2. **Tax Levy – used after all other funding sources are explored**

## Total Gross Expenditures – \$10,328,500





# Administration & Finance Budget

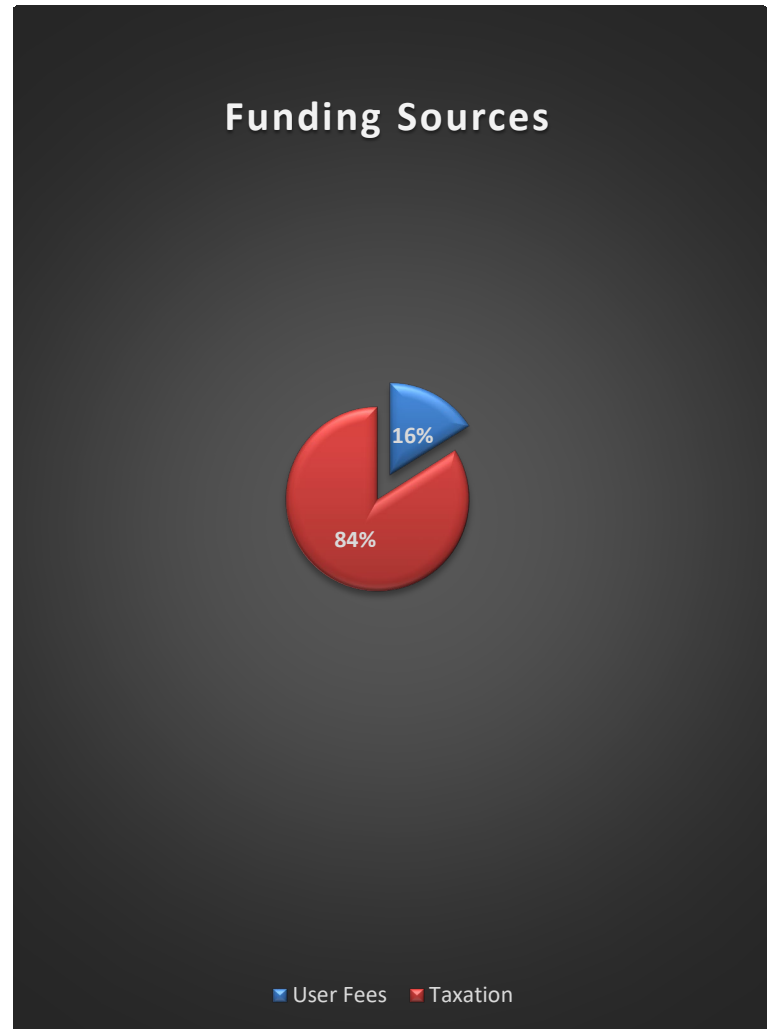




# Administration & Finance

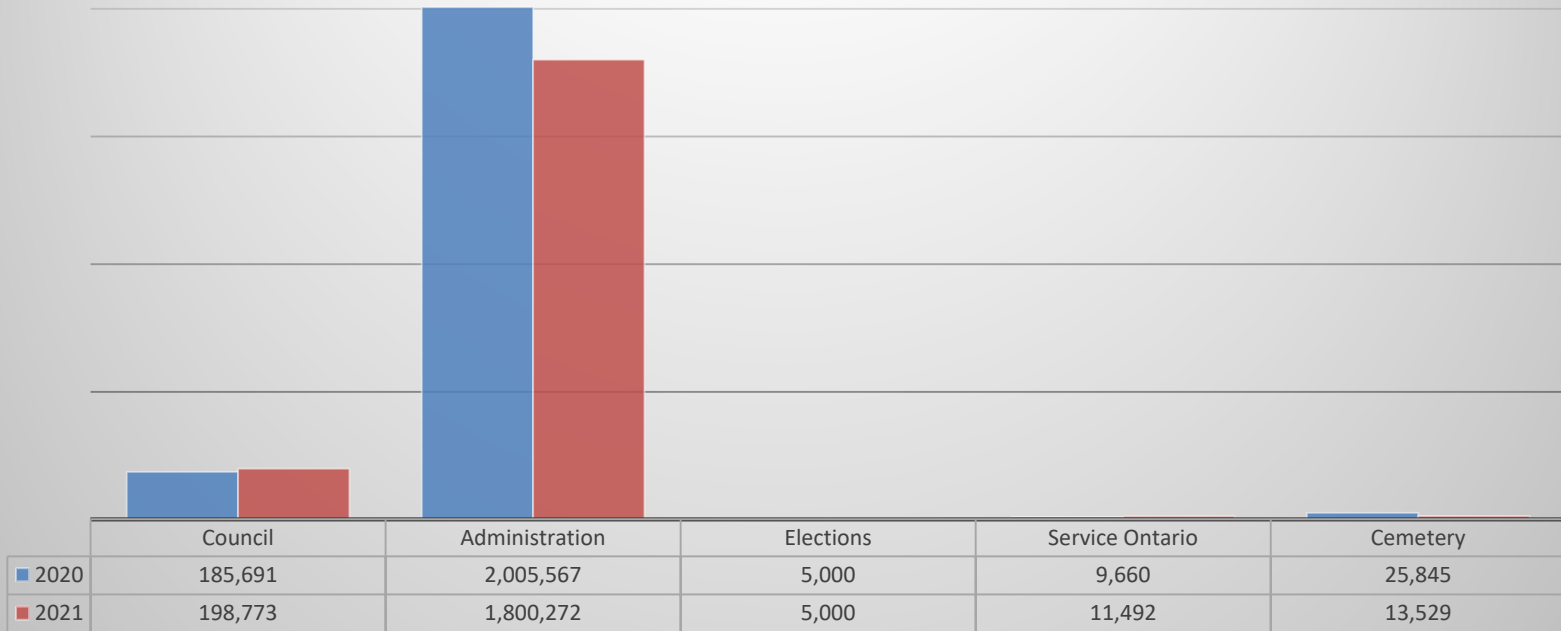
Expense		
Department	2020	2021
Council	185,691	198,773
Administration	2,326,202	2,006,264
Elections	5,000	5,000
Service Ontario	59,160	61,492
Cemetery	55,895	46,304
	<b>\$ 2,631,947</b>	<b>\$ 2,317,834</b>

Revenue		
Department	2020	2021
Administration	- 320,635	- 305,720
Service Ontario	- 49,500	- 50,000
Cemetery	- 30,050	- 32,775
	<b>-\$ 400,185</b>	<b>-\$ 388,495</b>



# Administration & Finance

Tax Support - Administration & Finance



# Protective Services

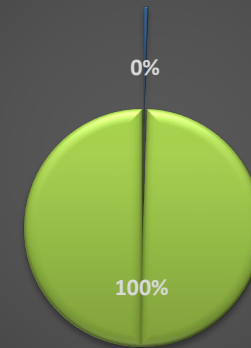


# Protective Services

Expense		
Department	2020	2021
Fire Services	1,144,274	1,087,773
Health & Safety	10,000	-
Policing	1,109,653	1,119,553
ABCA Requisition	186,034	190,792
Mosquito Control	45,200	44,650
Crossing Guard	9,335	8,518
Animal Control	1,250	450
By-Law Enforcement	40,450	43,250
	<b>\$ 2,546,196</b>	<b>\$ 2,494,986</b>

Revenue				
Department	2020	2021		
Fire	-	5,000	-	15,050
Animal Control	-	1,000	-	1,000
Building	-	2,333	-	4,050
By-law Enforcement	-	4,300	-	2,000
	<b>-\$ 12,633</b>	<b>-\$ 22,100</b>		

## Funding Sources



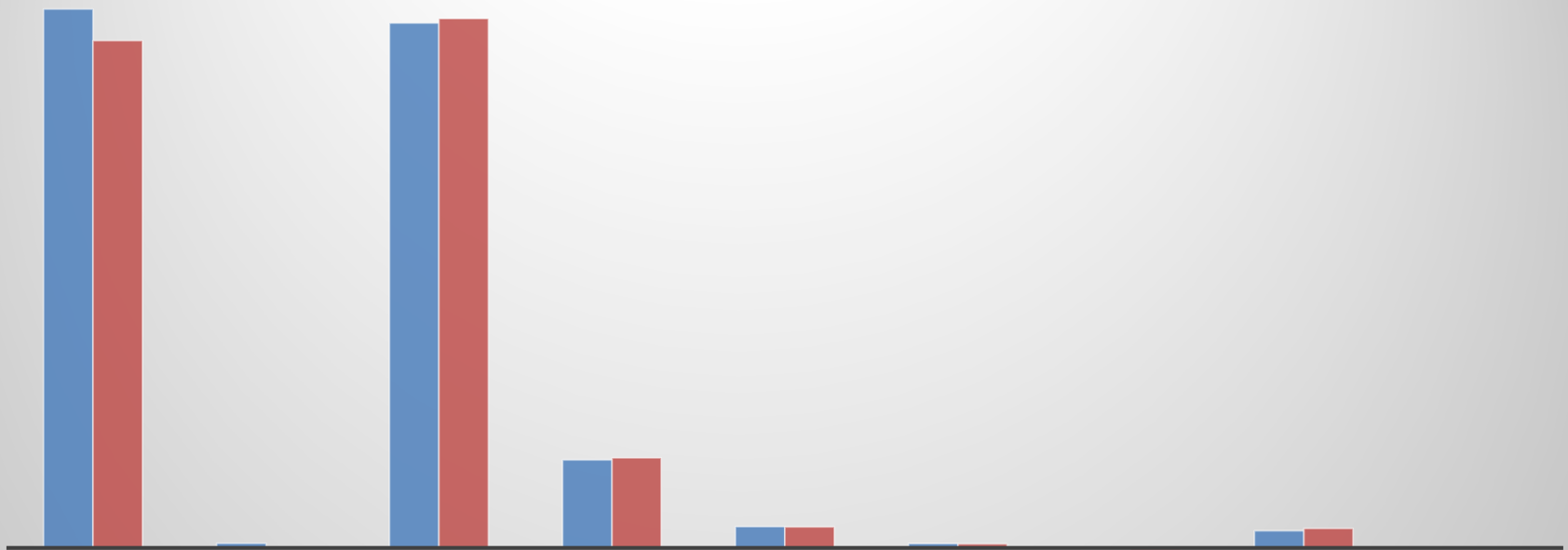
■ User Fees
 ■
■ Taxation



# Protective Services



## Tax Support - Protective Services



	Fire Services	Health & Safety	Policing	ABCA Requisition	Mosquito Control	Crossing Guard	Building	Bylaw	Animal Control
■ 2020	1,139,274	10,000	1,109,653	186,034	45,200	9,335	-2,333	36,150	250
■ 2021	1,072,723	-	1,119,553	190,792	44,650	8,518	-4,050	41,250	-550

# Operations, Municipal Drains & Waste Disposal



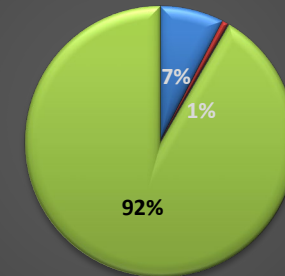
# Operations, Drains & Waste



Expense		
Department	2020	2021
Administration	987,130	990,718
Gravel Road Mtnc	1,150,900	1,243,887
Other Works	544,044	476,862
Equipment Mtnc	374,470	321,671
Winter Maintenance	308,790	176,558
Streetlights	38,900	38,000
Drainage	157,794	84,586
Waste & Recycling	515,827	532,378
	<b>\$ 4,077,855</b>	<b>\$ 3,864,661</b>

Revenue		
Department	2020	2021
Administration	- 4,000	- 8,800
Drainage	- 18,000	- 25,000
Waste & Recycling	-\$ 259,200	-\$ 260,220
	<b>-\$ 281,200</b>	<b>-\$ 294,020</b>

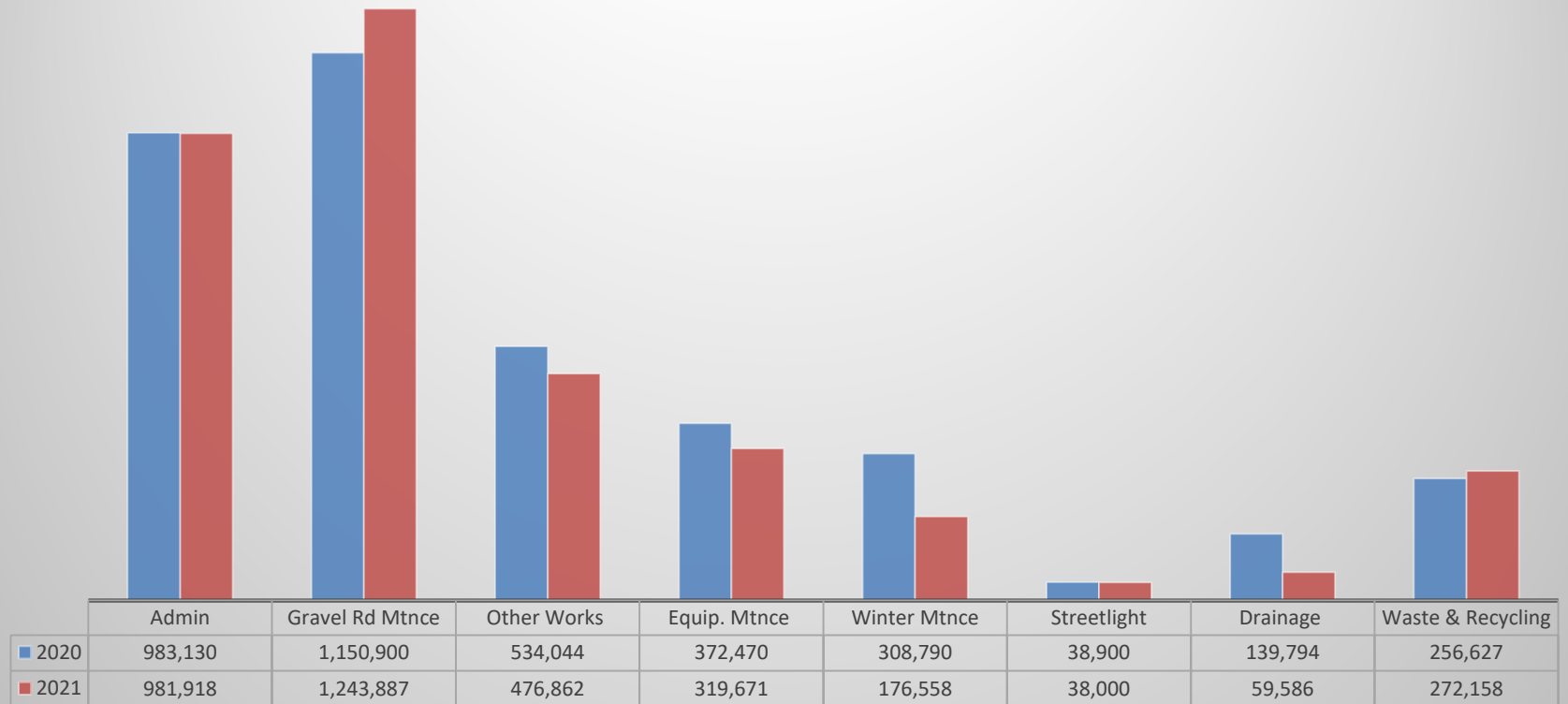
## Funding Sources



■ User Fees
 ■ Reserve
 ■ Taxation

# Operations, Drains & Waste

**Tax Support - Operations, Drains & Waste**





# Community Services

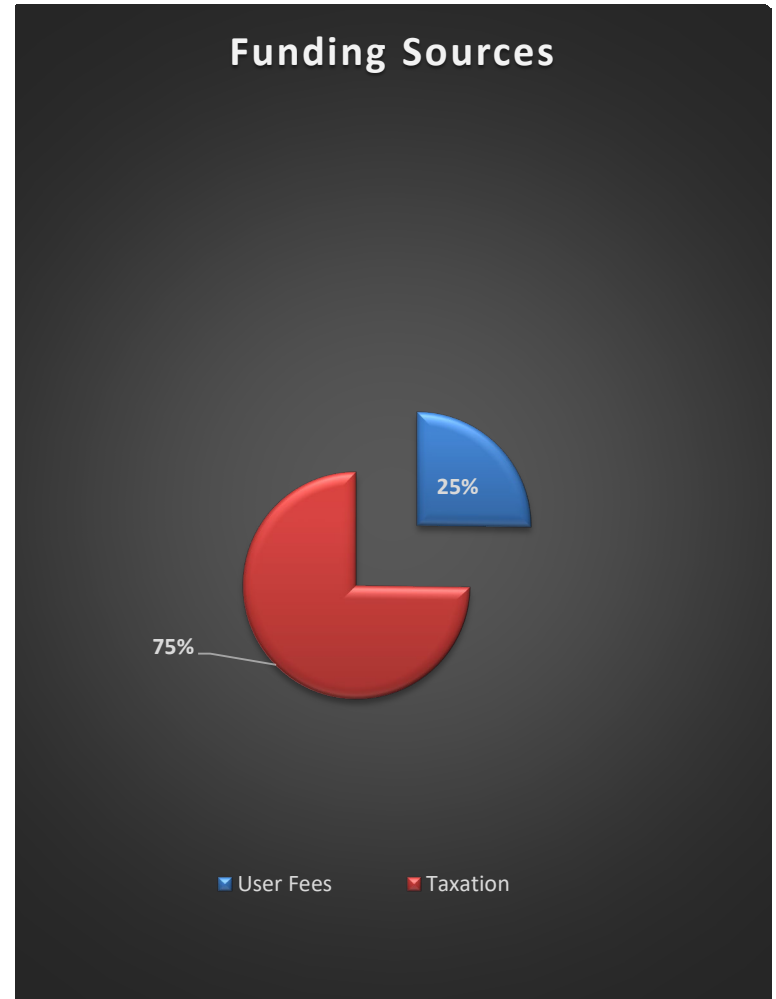


# Community Services



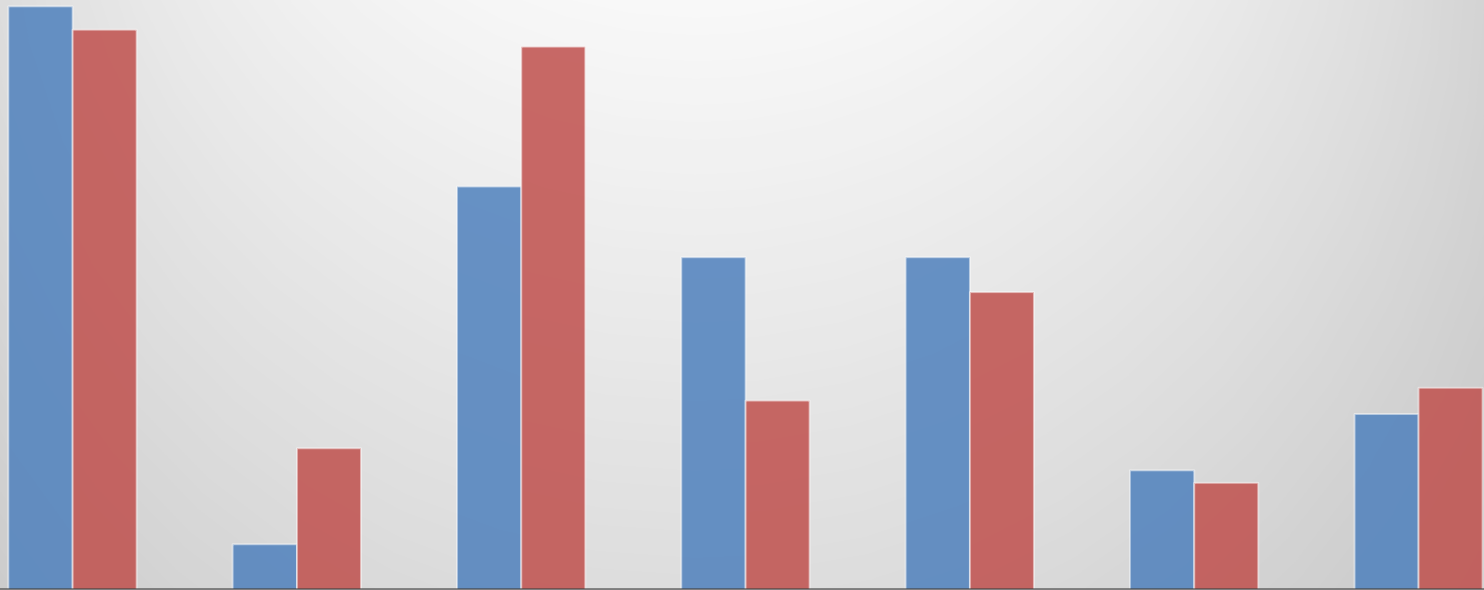
Expense		
Department	2020	2021
Recreation Admin	287,769	276,408
Equip. Mtnc	22,800	70,032
NM Arena	480,486	414,527
Parks	181,884	111,360
Shared Services	250,404	237,968
YMCA	52,379	52,903
Facilities -other	182,192	182,116
	<b>\$ 1,457,915</b>	<b>\$ 1,345,314</b>

Revenue		
Department	2020	2021
Facility Rentals	- 482,220	- 339,200
YMCA	6,775	-
	<b>-\$ 475,445</b>	<b>-\$ 339,200</b>



# Community Services

**Tax Support - Community Services**



	Recreation Admin	Equip. Mtncce	NM Arena	Parks	Shared Services	YMCA	Facilities -other
■ 2020	287,269	22,800	198,636	163,884	163,904	59,154	86,822
■ 2021	275,908	70,032	267,427	93,360	146,718	52,903	99,766

# Economic Development & Planning

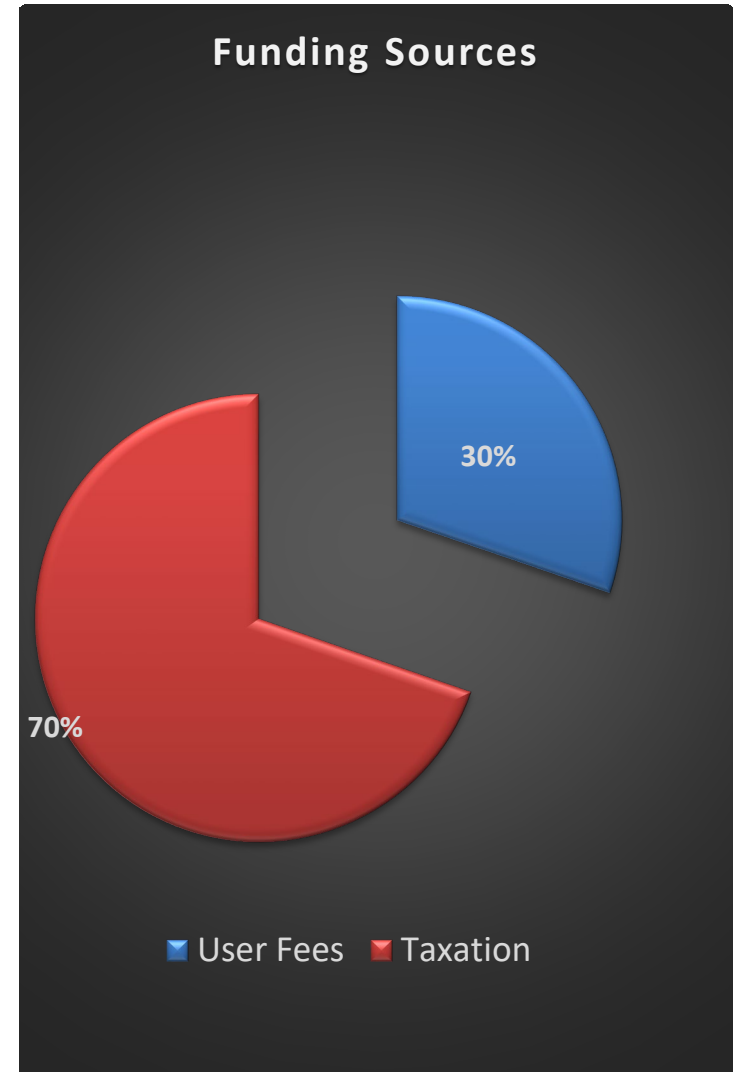


# Economic Dev. & Planning



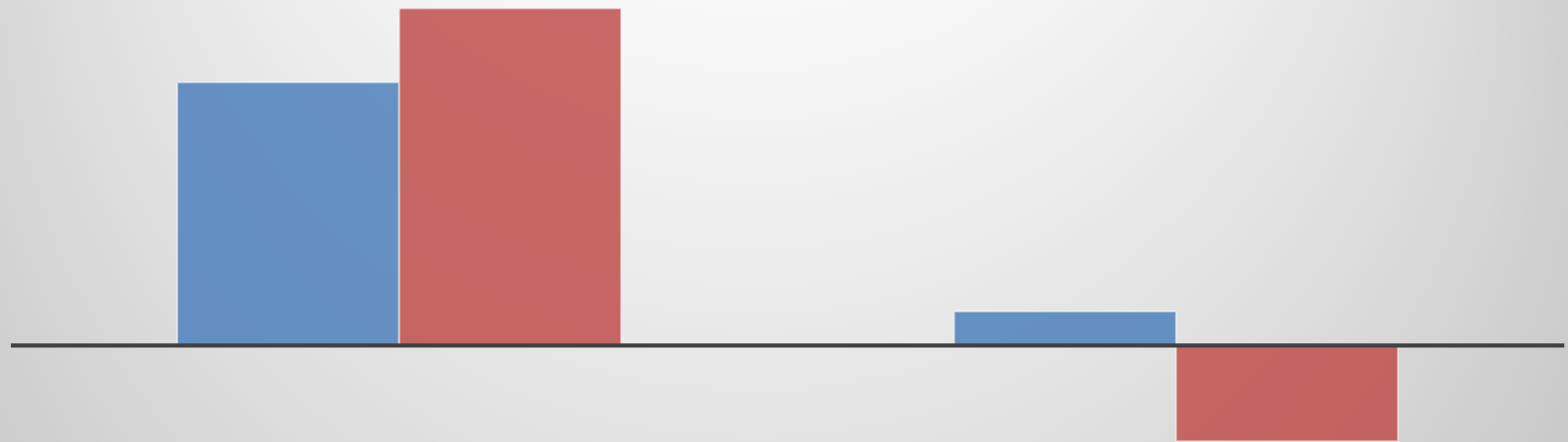
Expense		
Department	2020	2021
Economic Develop	112,190	143,650
Planning & Zoning	46,000	2,900
	<b>\$ 158,190</b>	<b>\$ 146,550</b>

Revenue		
Department	2020	2021
Economic Development	-	-
Planning & Zoning	- 31,500	- 43,750
	<b>-\$ 31,500</b>	<b>-\$ 43,750</b>



# Economic Dev. & Planning

Tax Support - Economic Dev. & Planning



	Economic Develop	Planning & Zoning
■ 2020	112,190	14,500
■ 2021	143,650	-40,850



# Water & Wastewater



# Water & Wastewater Service Highlights

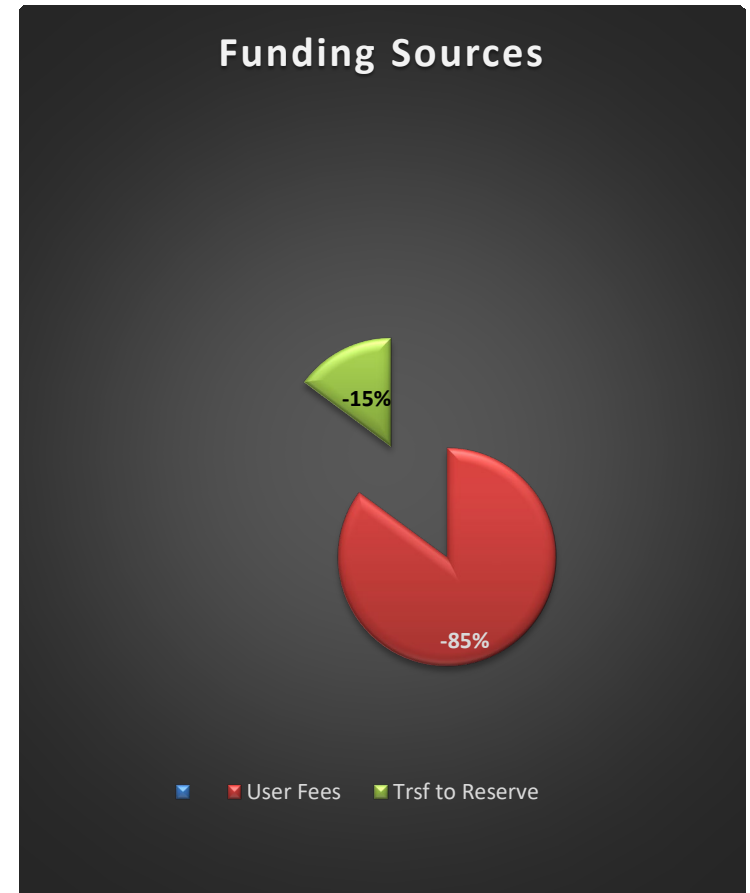
- Currently service 2,350 water and 1,201 wastewater customers
- 475km of watermains
- 2 water reservoirs and 2 booster pump stations
- Currently 1 lagoon and 1 wastewater treatment plant
- A number of pumping stations, forcemains and sanitary mains

# Water & Wastewater



Expense		
Department	2020	2021
Water	2,733,164	2,868,703
Wastewater	1,860,486	1,440,589
	\$ 4,593,651	\$ 4,309,293

Revenue		
Department	2020	2021
Water	2,238,100	3,316,002
Wastewater	931,752	1,905,666
	-\$ 3,169,852	-\$ 5,221,668



## 2021 Reserve Transfers

Working Capital	\$992,370
Vehicle & Equip.	\$622,795
Facility	\$300,000
Election	\$ 5,000
Human Resources	\$ 10,000
Water	\$447,298
Wastewater	\$465,077
Emergency	<u>\$ 25,000</u>
Total Reserve Transfers	\$2,867,540

# Debt Level

## North Middlesex Multi-Service Building - Library Portion

Years Remaining	County Payment
Tuesday, June 1, 2021	\$187,500.00
Wednesday, June 1, 2022	\$187,500.00
	<hr/>
	<b>\$375,000</b>

**2021 Debt Repayment \$187,500**

Total Debt remaining at Dec 31, 2021 **\$187,500**

# Notable 2021 Concerns

- The County has not finalized their tax ratios and rates for 2021. The reduction of the farmland class ratio is still a consideration which would in turn affect our residential tax rate.
- Timeline of COVID restraints to revenues for the Municipality



## Recommendation

That Council approves the 2021 tax levy of \$8,090,779 and set the general residential tax rate for 2021 at 0.00792602, which is a decrease of 0.0004 from 2020.

That Council approves the water and wastewater budgets as presented.

Given that staff has not received the County tax class ratios yet, the residential rate could change if the tax class ratios set by the County are adjusted. If this is the case staff will bring an updated report back to Council.