



# 2024 Draft Budget Presentation

**Trish Serratore**  
Chief Financial Officer

# 2021-2025 Strategic Action Plan Vision

We are a proud rural community strengthened by a balance of social, equity, culture, environmental integrity and progressive economic development

# The 2024 budget and the services we offer continue to align with our five strategic focus areas

- Preserving, enhancing & supporting **Heritage, Culture and Community**
- Providing for and planning for services and amenities that enhance the **Quality of Life** of Brockton residents
- **Land Use Planning** to enhance available housing options and preservation of our **Natural Environment**
- **Economic Development** that helps that community grow and thrive
- **Municipal Governance** that is inclusive, responsive and efficient while maintaining fiscal reasonability now and for the future.

# CAO Comments



# 2024 Draft Tax Supported Annual Budget Update

# Agenda

## Tax-Supported Operating Budget

- Council Budget
- General Government
- Human Resources
- EDC
- ERBP
- Tourism (VIC)
- Public Works
- Streetlights
- Brockton Child Care
- Materials Management
- Fire Services
- Emergency Measures
- Health & Safety
- OPP - Police Service Board

## Tax-Supported Operating Budget - continued

- Animal Control/By-law Enforcement
- Recreation
- Cemetery
- Physician Recruitment
- Library
- Municipal Drains
- Planning
- Conservation Authority
- Heritage

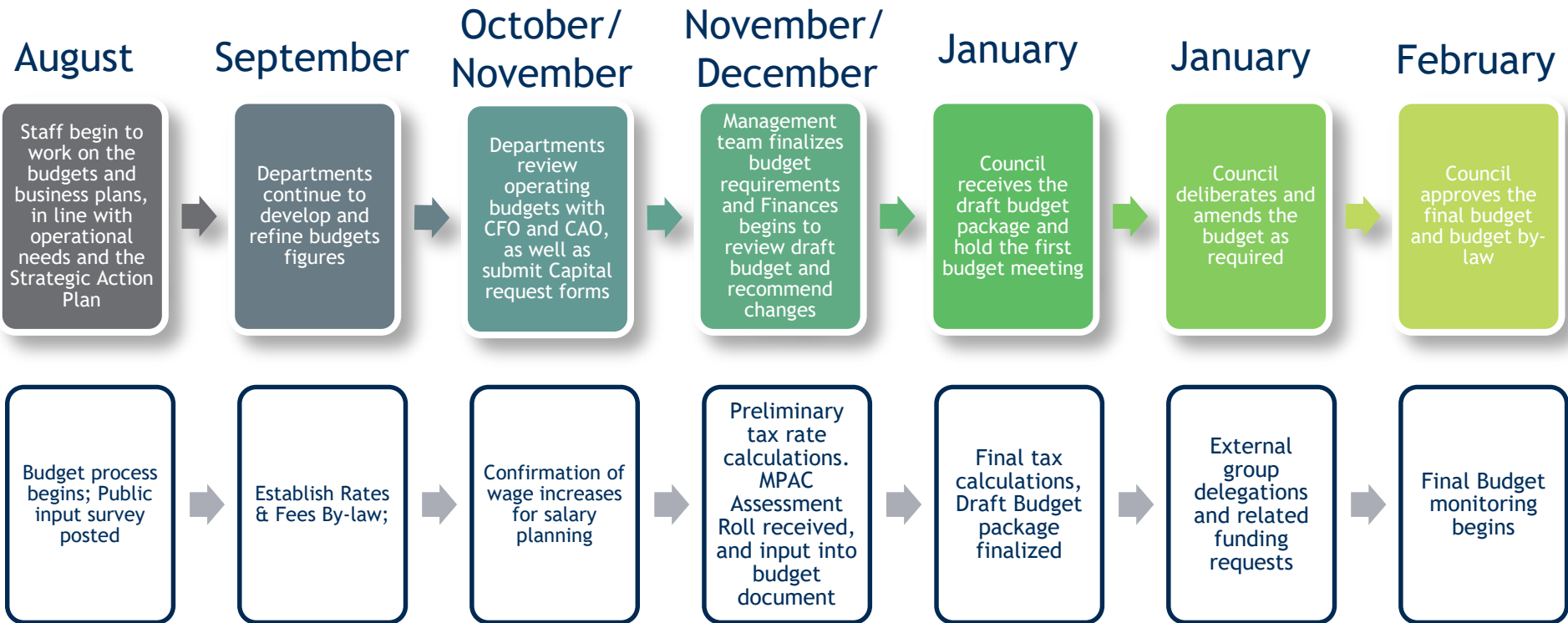
# Agenda

- Municipal Capital Requests
- Council Discussion on Budget and Consideration items
- Current Tax Rate Implications

## **Non-Tax Supported Budget**

- Water & Wastewater Overview
- Capital Projects - Utilities
- Ontario Building Code Administration/Property Standards

# Budget Process

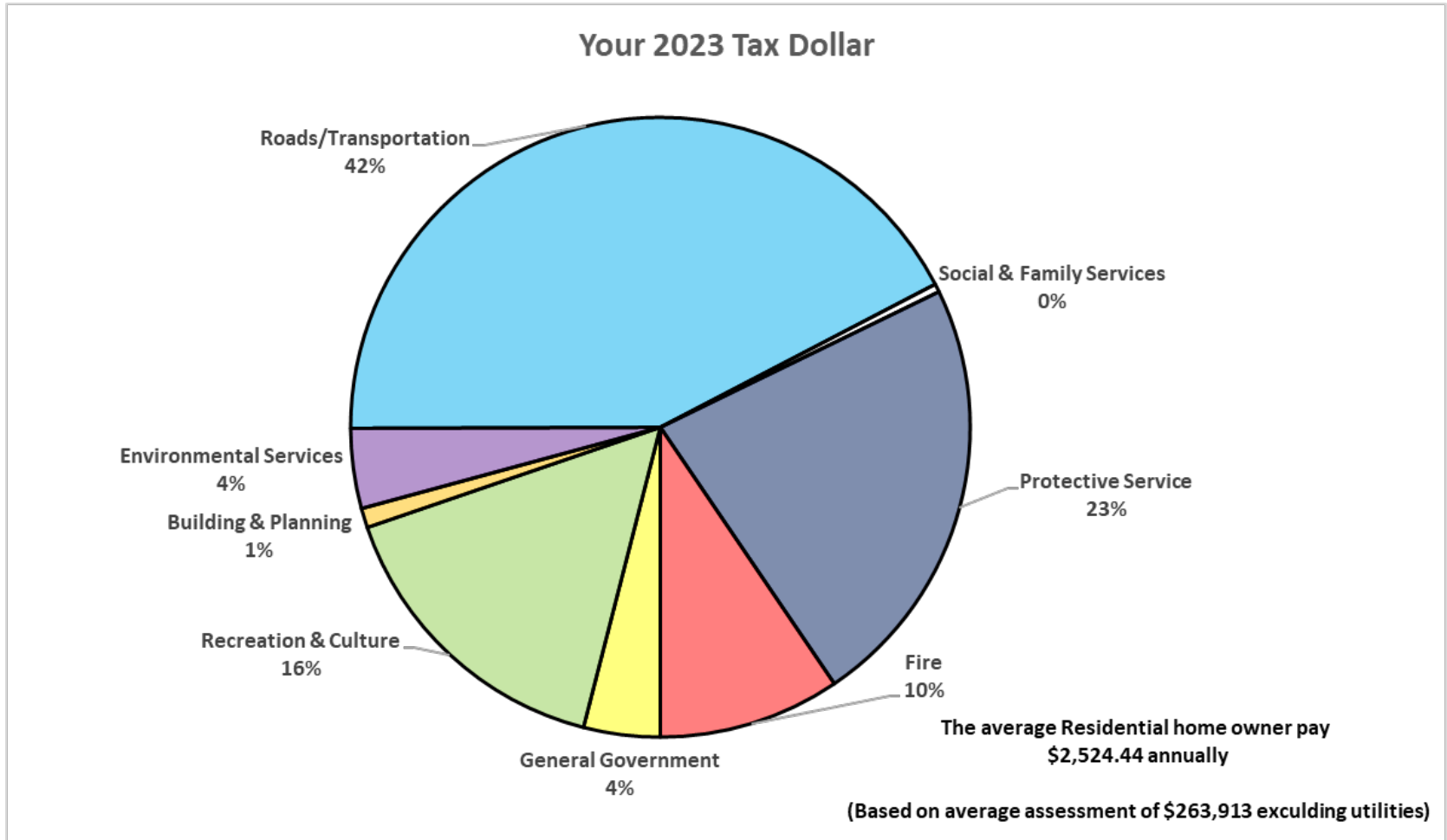




# 2024 Budget Approach

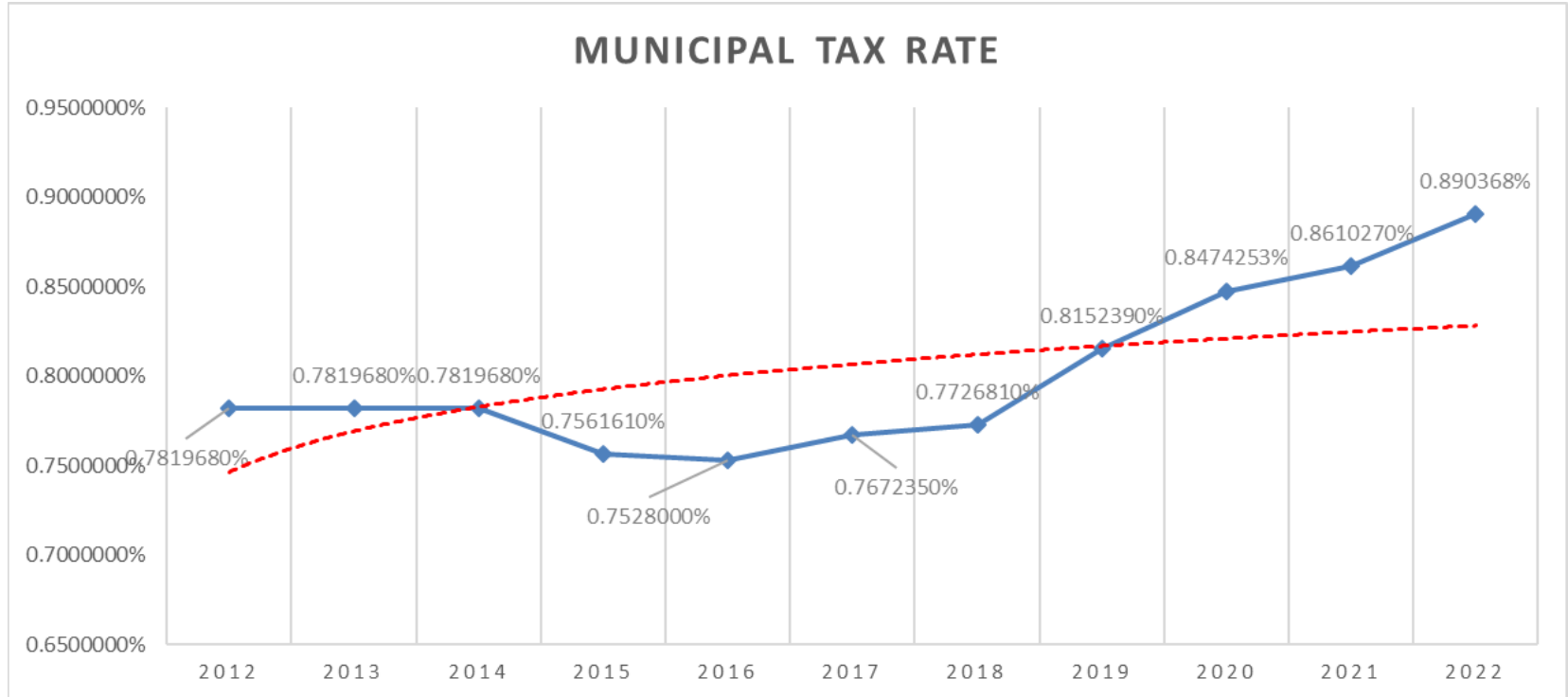
- The first draft of the budget incorporating the funding amounts required by each department to sustain current service levels
  - The initial draft budget would have also included amounts for projects or initiatives that are not necessarily required, but are perceived as favourable for the organization
- The 2024 Draft Budget is presented with a 8.86% operating increase and 3.5% capital tax rate increase
- Management has revisited their budgets several times over the last two month to present the most lean operating and capital budget without any reductions to services
- Staff have provided an itemized list in the Budget Report for Councils consideration, along with the implications of each reduction

# Where do our tax dollars go?



The County has approved its 2024 net tax levy increase at 6.16%, however the County tax rate has not yet been calculated. The Province has not yet set the 2024 Education tax rate

# Tax Rate Effect



For 2024, a 1% increase on the municipal tax rate equals \$117,435.

2021 – increase 1.61%

2022 – increase 3.41%

2023 – increase 6.62%

# Brockton Property Tax Assessment

In 2016, MPAC updated the assessed values of every property in Ontario. These values will continue to be used to calculate the property taxes for 2024, unless there have been changes to the property that resulted in an updated assessment from MPAC.

The Province will conduct a review of the property taxation and assessment system focusing on fairness, equity and economic competitiveness. Property reassessment will be deferred until this work has been completed.

The table below details the change in the total taxes collected over the past 5 years (includes PIL education retained):

Year	Total Municipal Levy	Yr over Yr % Change	Local Municipal Tax Rate	Yr over Yr % Change
2020	\$ 9,683,264.53	8.90%	0.00847425	3.22%
2021	\$ 9,855,085.31	1.74%	0.00861027	1.36%
2022	\$ 10,432,163.48	5.53%	0.00890368	2.93%
2023	\$ 11,483,398.00	9.15%	0.00956541	6.62%
Draft 2024	\$ 13,194,623.00	12.97%	0.01074741	11.82%

# How does the assessed value of a home impact the property tax bill?

Property Tax Calculation Examples with a 12.36% tax rate increase:

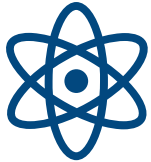
	A	B	$A \times B = C$	D	C-D
	Property Assessment Value	Draft 2024 Municipal Tax Rate	Draft 2024 Municipal Property Tax Bill	2023 Property Tax Bill	Annual Cost of Proposed Tax Rate Increase
Assessment Values are determined by MPAC	100,000	0.01074741	1,074.74	956.54	118.20
	264,872	0.01074741	2,846.69	2,533.61	313.08
	300,000	0.01074741	3,224.22	2,869.62	354.60
	400,000	0.01074741	4,298.96	3,826.17	472.80
	500,000	0.01074741	5,373.70	4,782.71	591.00
	600,000	0.01074741	6,448.44	5,739.25	709.20
	700,000	0.01074741	7,523.18	6,695.79	827.39
	800,000	0.01074741	8,597.92	7,652.33	945.59

→ Tax Rate determined by Municipality

# Economic Impacts



**Inflation 2023 year-to-date average 3.98%**



**Energy/Fuel continue to fluctuate with a 0.8% increase**  
\*includes hydro, fuel - diesel and gas and natural gas



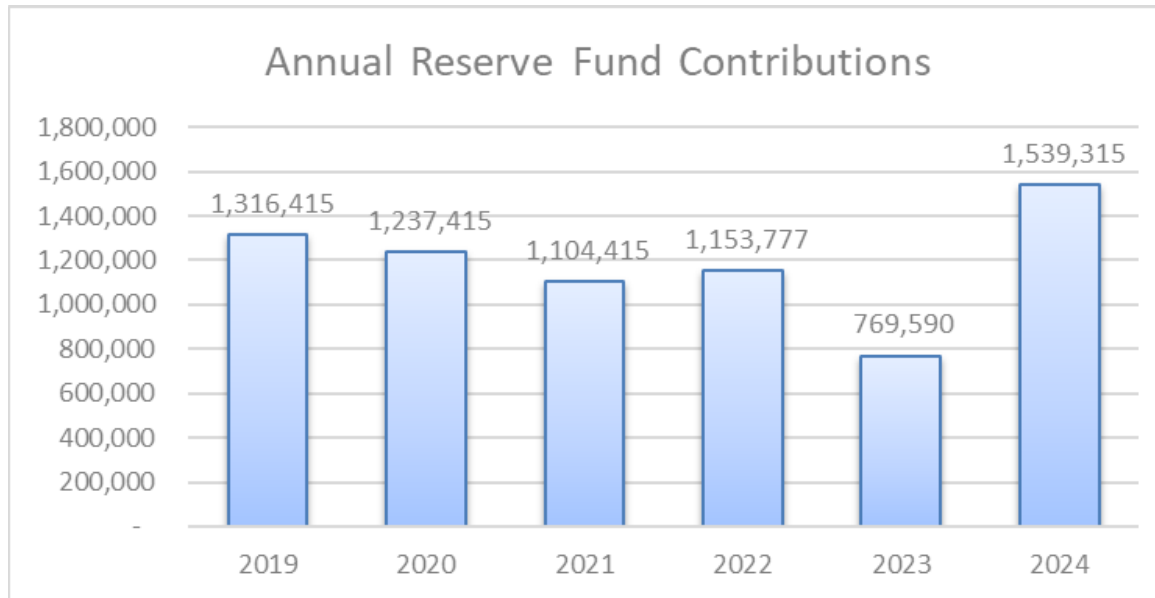
**Interest rates Holding the rate of 5.00% as of December**



**Staff Increased challenges with retention and recruitment**

# Reserve & Reserve Funds

- Reserves and Reserve Funds are an essential part of the Municipality of Brockton's finances. The purpose of the Reserve and Reserve Funds is to save for future infrastructure needs to avoid spikes and dips in the overall tax levy.
- Below is a chart that illustrates the annual reserve fund contributions and the steady decline over the last five years. In 2023, staff reduced most reserve fund contributions by half to meet Council's direction related to the proposed tax rate increase



# Current Long-term Debt Commitments

- Long-term borrowing is one mechanism used for funding the large capital projects, along with capital levy and reserve funds.
- Brockton has issued debentures for long-term borrowing to provide financing for larger capital work. Each year Council approves the financing of the Municipality's Capital Plan during the budget deliberation. The Municipality records all annual debt charges (principal and interest) in the operating budget, which requires either property tax dollars or user fees to fund these amounts.
- Each year during the Audited Financial statement presentation, our external auditor stresses the importance of sustain a 1:1 ration of long-term debt to reserve fund balances



# Current Long-term Debt Commitments

OUTSTANDING LOAN	'2023 OUTSTANDING BALANCE	'2024 OUTSTANDING BALANCE	Completion Year	Annual Principal and Interest Repayment Amount	Fixed or Variable Rate
WALKERTON FIRE HALL & PROPERTY - 2002 81 & 2003 56	58,680	0	2023	0	Variable
LOAN BY-LAW 2008-73 (NON-WATER/SEWER PORTION)	33,157	0	2023	0	Variable
JACKSON & YOUNGE STREET - 2004-034	122,568	61,334	2024	62,695	Fixed
CAYLEST RECONSTRUCTION	317,012	292,904	2036	38,067	Fixed
CDCF ENTRANCE - MUNICIPAL SHARE	269,379	249,030	2025	26,959	Fixed
DE-OX WATER	16,000	8,000	2025	8,840	Variable
BRIDGE 11	163,315	139,984	2025	33,031	Variable
REC 3/4 TON TRUCK	63,431	0	2027	0	Fixed
REC 2500 SIERRA CREW CAB	32,034	28,403	2027	8,938	Fixed
REC 1500 SILVERADO CREW CAB #1	64,853	64,853	2028	14,741	Fixed
REC 1500 SILVERADO CREW CAB #2	64,063	64,063	2028	14,562	Fixed
McCURDY BRIDGE #2	202,763	188,247	2030	20,283	Fixed
SIDE ROAD 10	88,717	76,043	2030	14,474	Variable
TRACKLESS	103,286	88,531	2030	20,885	Variable
BALL DIAMOND ENTRANCE	43,329	21,664	2030	23,939	Variable
DS WEIS BRIDGE	798,244	660,267	2031	82,121	Fixed
MCGIVERN STREET	97,119	80,123	2031	15,125	Variable
WALKERTON LANDFILL -2013-100	687,500	625,000	2034	100,255	Variable
SOCCER FIELDS 2016-057	100,770	36,320	2034	41,259	Variable
McCURDY BRIDGE #1	198,132	183,065	2036	23,792	Fixed
KAAKE DRAIN	4,529	2,059	2035	2,292	Variable
PICK-UP TRUCK	56,000	28,000	2035	30,937	Variable
LANG DRAIN	28,128	18,800	2035	8,880	Fixed
CONCESSION 6W	279,091	259,442	2036	23,913	Fixed
CONCESSION 10 BRANT/QUEEN	1,012,711	904,078	2036	83,385	Fixed
SOUTH STREET PHASE 1 RECONSTRUCTION 2016-057	389,693	356,290	2037	51,209	Variable
LEE & COATS 2017-074	371,608	354,114	2037	31,496	Variable
CHEPSTOW CULVERT	511,000	479,541	2037	48,629	Fixed
KLEIST LAND PURCHASE ERBP	1,120,000	1,072,856	2047	71,127	Fixed
RIVERSDALE	2,372,159	2,342,796	2053	176,202	Fixed
ERBP - PHASE 1 & 2 - Interest only - Construction Loan	5,941,300	2,095,585	2053	96,000	TBD
YONG STREET RECONSTRUCTION/ TRUNK MAIN REPLACEMENT	1,303,309	1,293,777	2053	84,621	Fixed
HALFTON CREW CAB PICK-UP TRUCK	0	70,000		TBD	TBD
TRACTOR REPLACEMENT	0	125,000		TBD	TBD
TWO GRADERS	0	540,000		TBD	TBD
SINGLE AXEL PLOW TRUCK	0	300,000		TBD	TBD
ERBP - PHASE 3	0	1,900,000		TBD	TBD
<b>TOTAL OUTSTANDING LONG-TERM DEBT</b>	<b>16,913,880</b>	<b>15,010,169</b>		<b>1,258,657</b>	

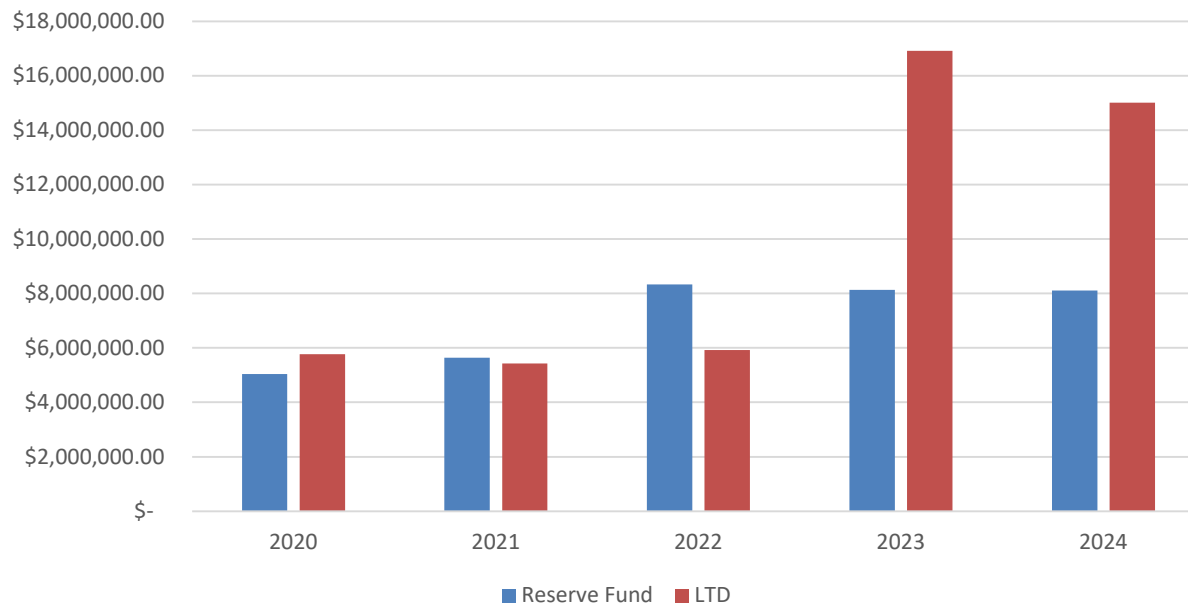
Total annual long-term debt repayment equals \$1,258,657

As noted in the chart, this does not include the funding for the 2024 Capital requests and in addition, Phase 3 of the ERBP is still optimizing the construction loan and current payments are interest only.

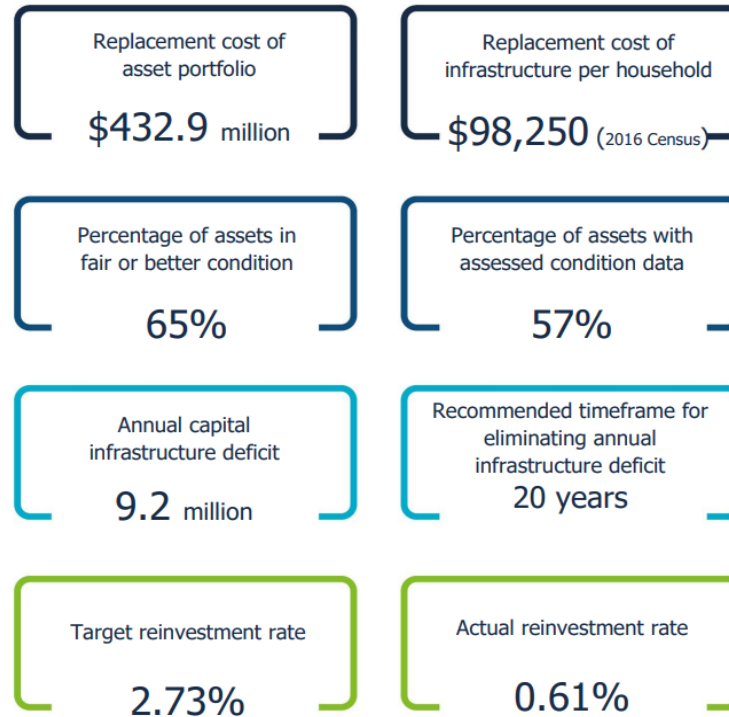
Legend	
	Expire within 2 years
	Expire within 3 - 9 years
	Expire in 10+ years

# Current Long-term Debt Commitments

- Below is a chart that illustrates that the operating LTD is significantly increasing compared to the available reserve fund balance over the last three years. Which illustrates the importance of continuing to contribute to our Reserve Funds for future infrastructure projects or unknown emergencies that arise throughout the year.



# Asset Management Plan



The 2021 Asset Management Plan identified the following key statistics, specifically that the target reinvestment rate for the replacement and maintenance of our core infrastructure is 2.73% and Brockton is only reinvesting 0.61%

# Budget Overview

- The 2024 draft operating budget has been prepared using current service levels.
- User fee revenue has been adjusted to take into account the 2024 Consolidated Rates & Fees By-law and prior year actuals.
- The 2024 draft budget consists of tax-supported operating expenses of \$20,994 million, compared to \$20,809 million in 2023.
- Draft budget includes a tax rate increase of 12.36%, 8.86% towards operating increases and 3.50% for capital investments.



Tax-Supported  
Operating Budget

8.86 % 2024 draft tax rate increase

\$234 Increase per average household

\$2,758 Total municipal portion per household



Capital Investment

3.50% Tax rate increase to fund capital

\$1.539M Total in annual capital contribution

\$410,350 Total contribution to tax-funded capital projects, which is an increase of \$509,054 from 2023

\$2.119M Total 2024 capital contribution

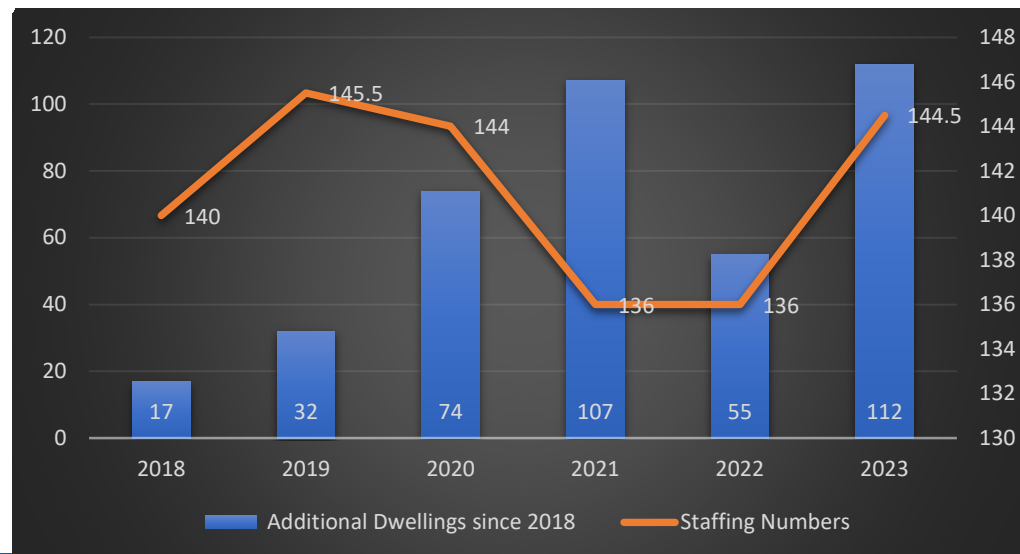
# Municipal Services Pressures and Trends

- There are a number of current factors that are putting pressure on the Municipality to maintain its current level of service while maintaining a responsible tax increase:
  - **Legislative Changes:** The introduction of new legislation by the Provincial and Federal governments places an increased burden on municipalities and results in increased costs (for example, the requirement to obtain building condition assessments to comply with the Asset Management Plan regulations). Other recent legislative changes include the following.
  - **Community Growth:** Increased growth in the community includes an increase in the number of real estate transactions, which then translates to additional administrative workload to process ownership changes, utility account changes/additions, routine inquiries, etc. Increase within the Building and Planning department for the increase in permits for new construction and renovations.
  - **Program Growth:** With the increased growth within the community, there is a higher demand within our recreation department for programs and services. With our aging infrastructure, it has illustrated many challenges and limitations on growing our programs over the years. Additionally, the increase in our waiting list for child care services with the Brockton Child Care Centre as well as the Day camp program offered within the recreation department.

# Municipal Services Pressures and Trends

This chart illustrates the growth in new dwellings in Brockton from 2018 to 2023.

There has been an additional 380 dwellings since 2018 and according to Census Canada our population growth in 2016 was 9,461 and in 2021 there was a population of 9,784 people which equals a 3.4% increase. Yet, the staffing levels have not increased over the six-year period. It should be noted the significant decrease in 2021 and 2022 would be related to the Covid-19 pandemic and limited services offered during that time



# Summary of Significant Changes - Revenue

- No assessment growth; \$260,089 growth in revenue strictly from new development and reclassification of the Commercial and Industrial vacant properties.
- Increase in Rate Stabilization Reserve Transfer \$150,000.
- Increase in OMPF funding of \$107,000.
- Various decreases in one time grant funding that was completed in 2023

# Summary of Significant Changes - Expenses

- OPP contract decrease of \$108,947
- Waste Management \$50,000 - estimated increase to be in line with prior year actual.
- Conservation Authority \$26,172 levy increase, plus an increase for Cliff erosion which includes \$100,000 reserve fund for future costs and \$60,000 for land purchase.
- Increase in Long-term debt repayments of (\$19,299) - due to matured loans in 2023.
- Increase in Municipal Liability Insurance 20% - \$60,444.
- Increase in utilities \$42,276 due to inflation increases
- Increase in maintenance \$208,000 due to increased supply and fuel costs.
- Increase in materials \$106,000 to be in line with actuals



# Summary of Significant Changes - Expenses

- Wages and Benefits, increase \$468,495:
  - \$138,199 or 10.02% increase in benefits due to:
    - OMERS eligible to all staff, including part-time
    - Increase in WSIB Rate, CPP and EI rate
  - \$330,267 or 6.39% increase in wages, which includes legislated increases, minimum wage increase, and RECE wage increase and step increase, *including new positions approved by Council in 2023 and 2 new proposed positions in 2024.*
- Increase annual Reserve Fund transfer amongst all departments of \$781,100 to be inline with prior year contributions and council directed transfers

**Significant Changes from the 2023 Municipal Levy to the 2024 Proposed Municipal Levy**

<b>Predetermined Changes to Tax Funded Operating Budget</b>	<b>Tax Levy Impact</b>	<b>User Funded Portion</b>	<b>Total Budget Impact</b>	<b>% Tax Rate Impact</b>	<b>Reason</b>
OPP Contract Cost Decreases	(108,947)	-	(108,947)	-0.93%	Contractual obligation
Saugeen Valley C.A. Levy	26,172	-	26,172	0.22%	Contractual obligation, additional changes expected
BASWRA Recycling Contract	50,000	-	50,000	0.43%	Inflationary
Insurance Premiums	410,987	78,451	332,536	2.83%	Inflationary
Utilities	72,276	30,000	42,276	0.36%	Inflationary
Long-term Debt repayment	199,951	219,250	(19,299)	-0.16%	
Victoria Jubilee Rental	22,000		22,000	0.19%	
Salaries & Benefits	504,904	44,409	460,495	3.92%	COLA at 3.8%; Merit Increase; As per policy for with 144.5 employees
<b>Total Predetermined Changes</b>	<b>\$ 672,439</b>	<b>\$ 327,701</b>	<b>\$ 344,738</b>	<b>2.94%</b>	
<b>Asset Lifecycle Maintenance Activities</b>	<b>Tax Levy Impact</b>	<b>User Funded Portion</b>	<b>Total Budget Impact</b>	<b>% Tax Rate Impact</b>	<b>Reason</b>
Buildings - Repairs and maintenance	340,000	132,000	208,000	1.77%	Required maintenance
Materials (dust, hardtop, loosetop, sand, dust)	90,000	-	106,000	0.90%	Inflationary; Required maintenance
<b>Optional Expenses for Council Consideration</b>	<b>\$ 430,000</b>	<b>\$ 132,000</b>	<b>\$ 314,000</b>	<b>2.67%</b>	
Police Services - Service Provider Review	80,000	-	80,000	0.68%	
MIC	34,000	-	34,000	0.29%	
Cliff Reserve Fund Transfer	100,000	-	100,000	0.85%	
Lobbyist	77,000	-	77,000	0.66%	
Kleist Land - Environmental Assessment Study (1/2)	50,000	-	50,000	0.43%	
<b>Optional Expenses for Council Consideration</b>	<b>\$ 341,000</b>	<b>\$ 0</b>	<b>\$ 341,000</b>	<b>2.90%</b>	
<b>One-Time Tax Mitigation Measures</b>	<b>Tax Levy Impact</b>	<b>User Funded Portion</b>	<b>Total Budget Impact</b>	<b>% Tax Rate Impact</b>	<b>Reason</b>
One-Time Transfer from Tax Mitigation Reserve Increase	150,000	-	150,000	1.28%	Increased funding from 2023 to \$300,000
OMPF Increased funding	107,000	-	107,000	0.91%	
<b>Total One-Time Tax Mitigation Measures</b>	<b>\$ 257,000</b>	<b>\$ 0</b>	<b>\$ 257,000</b>	<b>2.19%</b>	
<b>Total Net Property Tax Impact (+/- 0.2%)</b>	<b>\$ 1,186,439</b>	<b>\$ 459,701</b>	<b>\$ 742,738</b>	<b>6.32%</b>	
Property Tax Assessment Growth impact	(\$ 260,089)		(\$ 260,089)	-2.21%	
Other cumulative budgetary variances	\$ 445,525			0.00%	
<b>2024 Draft Operating Levy Increase</b>	<b>\$ 1,371,875</b>			<b>12.00%</b>	

# Council Consideration

Predetermined Changes to Tax Funded Operating Budget	Tax Levy Impact	User Funded Portion	Total Budget Impact	% Tax Rate Impact	Reason
<b>Optional Expenses for Council Consideration</b>	<b>\$ 430,000</b>	<b>\$ 132,000</b>	<b>\$ 314,000</b>	<b>2.67%</b>	
Police Services - Service Provider Review	80,000	-	80,000	0.68%	
MIC	34,000	-	34,000	0.29%	
Cliff Reserve Fund Transfer	100,000	-	100,000	0.85%	
Lobbyist	77,000	-	77,000	0.66%	
Walkerton Capitals Donation Request	4,721	-	4,721	0.04%	Not included in the budget, but Council consideration required
VJH Donation Request	5,000	-	5,000	0.04%	Budgeted \$5,000, total request is \$10,000
Kleist Land - Environmental Assessment Study (1/2)	50,000	-	50,000	0.43%	
<b>Optional Expenses for Council Consideration</b>	<b>\$ 350,721</b>	<b>\$ 0</b>	<b>\$ 350,721</b>	<b>2.99%</b>	

# Department Questions/Discussion

- Council Budget - Fiona Hamilton, Director of Legislative and Legal Services (Clerk)
- General Government - Trish Serratore, CFO, Sonya Watson, CAO & Fiona Hamilton, Director of Legislative and Legal Services (Clerk)
- Human Resources - Sonya Watson, CAO
- EDC - Sonya Watson, CAO
- ERBP - Sonya Watson, CAO
- Tourism (VIC) - Sonya Watson, CAO
- Public Works - Nicholas Schnurr, DOO
- Streetlights - Nicholas Schnurr, DOO
- Brockton Child Care - Sharon Bross, Child Care Supervisor
- Materials Management - Nicholas Schnurr, DOO
- Fire Services - Chris Wells, Director of Fire and Emergency Services
- Emergency Measures - Chris Wells, Director of Fire and Emergency Services

# Department Questions/Discussion

- Health & Safety - Chris Wells, Director of Fire and Emergency Services
- OPP - Police Service Board, - Fiona Hamilton, Director of Legislative and Legal Services (Clerk)
- Animal Control/By-law Enforcement - Dieter Wertz, Building and Planning Manager | Chief Building Official
- Recreation - Colleen Gillis, Director of Community Services
- Cemetery - Trish Serratore, CFO
- Physician Recruitment - Trish Serratore, CFO
- Library - Colleen Gillis, Director of Community Services
- Municipal Drains - Fiona Hamilton, Director of Legislative and Legal Services (Clerk)
- Planning - Dieter Wertz, Building and Planning
- Conservation Authority - Nicholas Schnurr, DOO
- Heritage- Fiona Hamilton, Director of Legislative and Legal Services (Clerk)

# 2024 Proposed Capital Projects

	2023 Net Budget	2024 Revenue	2024 Expenditures	2024 Net	2024 Net Budget Change (\$)	2024 Net Budget Change (%)
General Government		30,000	30,000			
Fire-Walkerton	21,000	215,000	384,850	149,850	128,850	613.6%
Streets\Roads		2,040,000	2,075,000	35,000	35,000	100.0%
Street Lights		20,000	20,000			
Water		135,000	135,000			
Sewage Treatment Plant		685,000	685,000			
Sewage Collection System						
Cemetery	35,000				(35,000)	(100.0%)
Recreation Administration		215,000	215,000			
Recreation Parks		88,000	121,000	33,000	33,000	100.0%
Recreation Pool		36,000	36,000			
Recreation Community Centre	15,000		180,000	180,000	165,000	1,100.0%
Recreation Lobies Park						
Brockton Soccer Fields						
Library - Walkerton			7,500	7,500	7,500	100.0%
EDC		1,940,000	1,945,000	5,000	5,000	100.0%
<b>Total</b>	<b>71,000</b>	<b>5,404,000</b>	<b>5,814,350</b>	<b>410,350</b>	<b>339,350</b>	<b>478.0%</b>

# Questions

