

Report to Council

Report Title: 2021 Municipal Budget

Prepared By: Trish Serratore, Chief Financial Officer

Department: Finance

Date: February 9, 2021

Report Number: FIN2021-05 **File Number:** C11FIN, F05

Attachments: Appendix A – Summary of Budget Changes
Appendix B – Updated Projected Reserve Fund Balance

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2021-05 – 2021 Municipal Budget, prepared by Trish Serratore, Chief Financial Officer and in doing so approves bringing forward a By-Law to accept the 2021 Municipal Budget in the levied amount of \$_____.

Report:

Background:

Staff presented the draft 2021 budget to Council on January 19th and January 20th 2021, which started with a 2.95% tax rate increase. During that time, and following those meetings, staff have reviewed the various recommendations from Council and have been able to make proposed changes within the budget by deferring certain projects, analyzing areas to further trim and increased the funding for various operating and capital expenditures from Reserve Funds.

Reserve and Reserve Fund Balances

Over the last few years Council has been dedicated to capital improvements through long-term borrowing and contributing to Reserve Funds for future infrastructure needs. Staff reviewed the 2020 Capital projects and final costs and have updated the Reserve Fund spreadsheet to better reflect the financial transfers from each department. In addition, staff have dedicated the Provincial One-Time funding received in 2019 to the following projects as it was a great fit based on the recommended usage of the funds received:

- Recreation Master Plan \$50,000 – reallocated from Recreation Reserve Fund to conserve the funds within this account for future infrastructure needs
- Council Broadcasting \$10,000 – to elevate tax rate pressure, staff felt this would be a good use related to “Modernization” for these funds

The Reserve Fund figures are still preliminary and are subject to change during the 2020 year-end audit process.

Appendix B shows the projected reserve fund balance for the end of 2021.

Analysis:

Since the first budget draft was presented, there have been several modifications to both the operating and capital budgets which are outlined as follows:

Council – Decreased \$24,250

- Reduced Broadcasting to \$11,250 to implement recommend changes for half the year
- Included \$10,000 from Municipal One Time Funding for the Council Broadcasting expense, these funds were provided in 2019 fiscal year to support small and rural municipalities' efforts to become more efficient and reduce expenditure growth in the longer term. Staff felt this initiative would be great use of those funds.
- Reduce Council Chamber Rent to \$3,000 due to Covid and inability to have in-person meetings.

General Government – Decreased \$70,250

- Remove Service Agreement expense \$40,00 based on an updated project cost to complete the final stage of the updated Asset Management Plan
- Increased NSF user fee \$500 to align with 2020 actuals
- Increased Tax Certificate revenue \$2,750 to align with 2020 actuals
- Increased Westario Dividend revenue \$20,000 to align with 2019 & 2020 actuals
- Increased Reserve Fund transfer of \$7,000 to fund repairs to the Armoury from the Heritage Reserve Fund

Human Resources – No Change

East Ridge Business Park – No Change

Economic Development Committee – No Change

Visitor Information Centre/Tourism – Decreased \$7,282

- Removed Summer Student \$20,608
- Removed mileage \$100
- Removed membership \$500
- Removed Supplies \$3,000
- Removed Payroll Processing \$416
- Added Service Agreement - Cargill/Greenock Swap Promotional Donation \$12,578
- Removed Telephone \$1,940
- Decreased Advertising \$1,800
- Decreased Publications \$1,800

Cemetery – No Change

Animal Control – No Change

Heritage – No Change

Library – Decrease \$2,150

- Increased County rent to reflect 2020 actuals

Brockton Child Care – Decrease \$26,500

- Removed annual loan repayment, Council approved paying out the remaining balance from Reserve Fund and include \$50,000 Reserve Fund transfer from 2022-2026

Physician Recruitment – No Change

Fire Services – No Change

Emergency Measures – Decrease \$10,000

- Cut Reserve Fund transfer for the Emergency Measures to \$15,000

OPP and Police Services Board - Decrease \$100,000

- Included \$100,000 transfer from Police Reserve Fund to decrease the financial impact of the OPP contract

Conservation Authority – No Change

Planning – Decrease \$18,500

- Removed Reserve Fund transfer \$25,000 for Zoning By-law update to utilize current monies in reserve fund and include additional project monies in 2022 budget.
- Add-Service Agreement, \$6,500 for Grey Sauble Conversation Authority – Risk Management, cell calculation error rectified

Property Standards – No Change

Recreation – Increase \$127,000

- Parks – Decrease \$23,000
 - Added \$5,000 to Horticulture for additional beautification in the hamlets & Walkerton
 - Increased Reserve Fund transfer to \$28,000 (\$23,000 for park maintenance and signage and \$5,000 for new tree planting)
- Pool – Decrease \$10,000
 - Increased reserve fund transfer \$10,000 for the pool maintenance to change rooms
- Community Centre – Increased \$160,000
 - Added the \$205,000 in Transfer to Reserve Fund, with \$200,000 going to the New Facility Reserve Fund
 - Increased transfer from Reserve fund \$45,000 (\$40,000 for arena hot water boiler and \$5,000 for the replacement for a floor scrubber)

Brant and Greenock Landfill – No Change

Public Works – Decreased \$33,149

- Increased prior year gas tax contributions by \$407,502
- Decreased Long-term Debt by \$407,502
- Reduced Reserve fund transfer by \$405,046 – (\$8,000 for Cold Box, \$372,046 for Chepstow Bridge as this portion of the funding was completed in 2020, and removed \$25,000 for the engineering of Concession 14) Staff feel that they could continue with the engineering through the operating budget and should they require additional funding, they will report to Council for reserve fund transfer.
- Deferred Napier St Sidewalk \$15,000
- Deferred Crosswalk on Cemetery Rd – There is current signage in place, traffic counts do not warrant a cross walk and based on further Council direction staff can research and present additional options for consideration as deemed appropriate.

Streetlights – Increased \$10,000

- Increase the reserve fund \$10,000 for the Chepstow Lions Club lights in 2022

Conclusion

The total impact of the above factors equates to a municipal tax rate increase of 1.61%

Brockton has done an excellent job at continuing to provide solid service levels with minimal tax rate increases over an extended period of time. The impact of COVID-19 has played a significant role and with no assessment increases or growth within the 2021 budget this has been a challenging year to budget. Staff have included \$100,000 in potential supplemental assessment income and are hopeful that MPAC can soon resume their role in providing revised assessment information to all municipalities.

Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- | | |
|---|-----|
| • Do the recommendations help move the Municipality closer to its Vision? | Yes |
| • Do the recommendations contribute to achieving Cultural Vibrancy? | Yes |
| • Do the recommendations contribute to achieving Economic Prosperity? | Yes |
| • Do the recommendations contribute to Environmental Integrity? | Yes |
| • Do the recommendations contribute to the Social Equity? | Yes |

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

Currently, staff are presenting Council with the revised budget and tax rate increase of 1.61% for 2021.

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:

A handwritten signature in black ink, appearing to read "Sonya", followed by a long, horizontal, wavy flourish.

Sonya Watson, Chief Administrative Officer