



2023 Draft Budget

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2023 Revenue - **\$909,812**

2023 Expense - **\$1,562,462**

Amount to be raised through taxation **\$652,650**
(education taxes not included)

25.84% Tax levy change (increase)
\$134,016 additional funds required

Municipal Residential Tax Rate 0.01606700

0.00% Education tax change (no change)
Education Residential Tax Rate 0.0015300

The two factors that contribute to property taxes in Ontario

1. Tax Rate
2. Assessment

- Council “controls” the setting of the tax rate by determining the amount to be levied for municipal services.
- MPAC assesses classes of property and provides a Current Value Assessment (CVA) to all properties that will be weighted against for property taxes
- While municipalities patiently wait for a re-assessment cycle to update the 2016 CVA its important to note that a re-assessment cycle does not provide additional revenue growth, it provides for updated values based on changes in the market conditions from one valuation date to the next and affects the distribution of the tax burden.

How Property Taxes are Calculated

Property taxes are calculated by multiplying the assessed value (CVA) of a property by the tax rate applicable to the class of the property.

The **tax rates** are calculated as follows:

Step 1: *Taxable Assessment X Tax Ratios = Weighted Assessment*

Step 2: *Levy Requirement / Weighted Assessment = Residential Tax Rate*

Tax Ratios set the relative tax burden amongst the various property classes in comparison to the residential rate at 1.

The **tax levy** requirement is the amount of taxes required to be raised after deducting the revenue from the expenses.

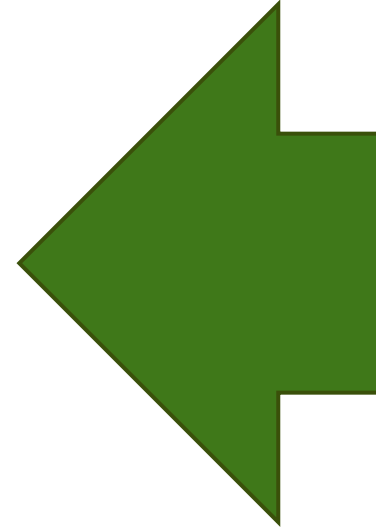
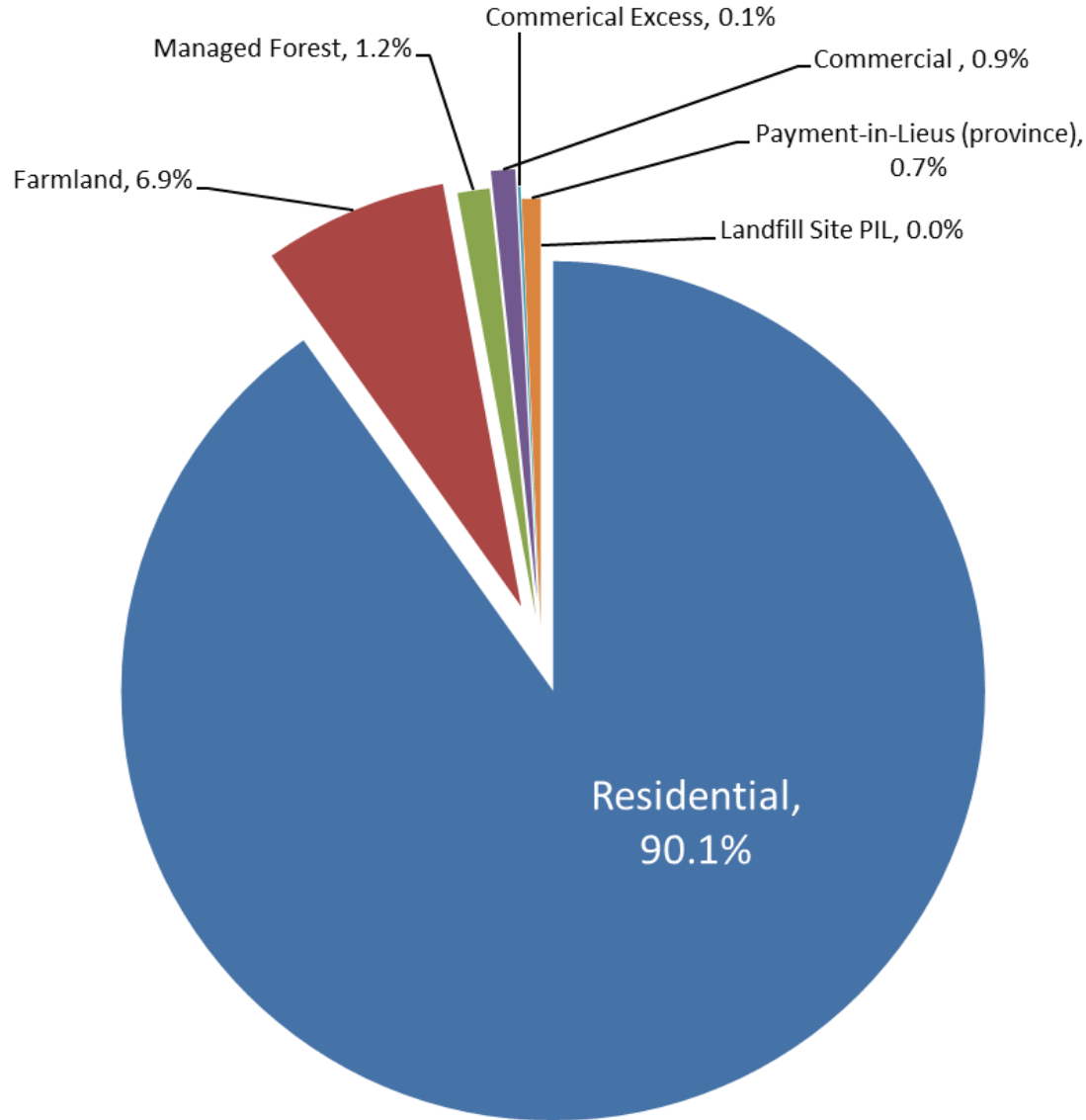
$\$909,814 - \$1,562,462 = \$-652,650$ (amount required to be raised)

Tax Ratios

Gillies Township vs. Range of Fairness

Property Class	Gillies Tax Ratio	Range of Fairness
Residential	1.00	1.00
Commercial	1.5839	1.00 - 1.10
Commercial Vacant Land	1.1087	0.60 - 1.10
Industrial	1.1188	0.60 - 1.10
Landfill	1.0702	0.6 to 1.1
Farmland	0.25	Up to 0.25
Managed Forest	0.25	0.25

Taxation Revnue
Total Assessment for 2023 \$42,845,500



90% Residential

6.9% Farmland

1.2% Managed Forest

0.9% Commercial

0.7% Payment in Lieu (PIL)

0.1% Commercial Excess

0.0% Landfill

Property Tax Description		2023 CVA	Tax	Weighted	Municipal	Municipal
		per roll	Ratio	Assessment	Tax Rate	Tax Levy
Residential		38624700	1.0000	38624700	0.01606700	620583.06
Farmland		2958700	0.2500	739675	0.00401675	11884.36
Managed Forest		521200	0.2500	130300	0.00401675	2093.53
Commercial		377900	1.5839	598556	0.02544852	9617.00
Commercial Excess		45700	1.1087	50668	0.01781396	814.10
Landfill		4700	1.0702	5030	0.01719490	81.00
PIL Residential/Farm		40300	1.0000	40300	0.01606700	647.50
PIL Commercial		272300	1.5839	431296	0.02544852	6929.63
Totals		<u>42845500</u>		<u>40620525</u>		<u>652650</u>



Revenue (Page 1,2, and 7- highlighted green headings)

- Transfer from reserves
- Government grants
- Other revenue

Why so much colour?

Received amount from CCBF (shown in revenue section of budget)

GOVERNMENT GRANTS							
13	Ontario Municipal Partnership Fund	\$	176,500	\$	176,500	\$	166,900
14	Canada Community Building Fund (Gas Tax)	\$	30,066	\$	30,066	\$	31,373

transfer into CCBF reserve (shown in expense section of budget)

TRANSFER TO RESERVE			2022 Budget	2022 Actual	2023
48	Canada Community Building Fund (Gas Tax) RBC	\$	30,066	\$ -	\$ 31,373

Transfer from reserve (shown in revenue section of budget)

TOWNSHIP OF GILLIES - DRAFT BUDGET 2023			2022 Budget	2022 Actual	2023
#	TRANSFER FROM RESERVE				
10	Canada Community Building Fund (Gas Tax) RBC	\$	5,986	\$ 5,868	\$ 137,772

Transfer from reserve (shown in expense section of budget)

ADMINISTRATION					
91	Admin - Gas Tax	\$	5,986	\$ 8,568	\$ 77,772
ROADS					
116	Roads - Gas Tax	\$	-	\$ -	\$ 60,000

These two amounts equal the \$137,772

Reserves - 2023	Opening	In	Out	Balance
Contingency Reserve HISA	\$49,700	\$ -	\$ 20,000	\$29,700
Office Construction HISA	\$18,722	\$ -	\$ -	\$18,722
Landfill Reserve HISA	\$31,835	\$ -	\$ -	\$31,835
VFD Reserve HISA	\$34,854	\$ -	\$ -	\$34,854
Roads Reserve HISA	\$59,998	\$ -	\$ 10,700	\$49,298
Cemetery Perpetual Care RBC	\$21,535	\$ -	\$ -	\$21,535
Infrastructure HISA	\$245	\$ -	\$ -	\$245
Deferred Revenue/Provincial Grants (COVID, Helipad, Firesafety Grant)	\$20,877	\$ 3,500	\$ 10,382	\$13,995
Canada Community Building Fund (Gas Tax) RBC	\$160,913	\$ 31,373	\$ 137,772	\$54,514
OCIF RBC	\$219,313	\$ 100,000	\$ 150,863	\$168,450
NORDS	\$116,831	\$ 56,878	\$ 173,709	\$0
TOTAL TRANSFERS FROM RESERVE	\$ 734,823	\$ 134,873	\$ 329,717	\$ 423,148

Transfer to Reserves



Helipad Reserve = \$3,500

Canada Community Building Fund (Gas Tax) = \$31,373

OCIF = \$100,000

NORDS = \$56,878





Expense (Page 3 to 7 - blue headings)

- Transfer to Reserves
- Wages
- Council
- Administration
- Roads
- Protection and Services
- Landfill
- Parks and Recreation
- Volunteer Fire Department
- Social and Community Services
- Long Term Debt

Wages

\$337,246

Wages in this category represents

- *Clerk/Treasurer*
 - *Deputy Clerk/Treasurer*
 - *Communications Administrator*
 - *Roads Workers*
 - *Landfill Attendants*
 - *Fire Chief*
 - *Deputy Fire Chief*
 - *Chief Building Official*
 - *By-law Enforcement Officer*
- *What this category does not represent is Council remuneration and the yearly honorariums for the Volunteer Fire Department. These are shown elsewhere in the budget.*



Council Department

\$22,129

The expense in this category includes:

- *Wages for 5 members of Council which includes CPP, Employer Health Tax*
- *Mileage*
- *Conferences and Travel*

- www.noma.on.ca
- www.tbdml.org



Administration Department

\$224,047

Administrative Department oversees the following:

- Council (policies, by-laws, agendas, minutes)
- Finance (bookkeeping, tax department, reconciliations, payroll, Accounts payable, grant requirement reporting and submission, asset management, budget preparation, etc)
- Building department
- Employee recruitment
- Zoning matters
- By-law Officer
- Government consultation
- Record retention
- Lottery licenses
- Cemetery burial arrangements, plot sales (staff are licensed Cemetery Sales Representatives under the Ontario Association of Cemetery and Funeral Professionals)
- Emergency Management (certified through training from the OFMEM)
- Livestock damage administrators
- Newsletter review
- Fire permit, bag tags, and so much more...



Roads Department

\$483,150

Expense examples

- Gravel
- Calcium
- Sand
- Salt
- Fuel
- Beaver control
- Utilities
- Grass cutting
- Bridge inspections/repairs
- Capital



Protection and Services

\$160,060

Expense examples

Livestock Damages

911 Emergency Service

Health and Safety

Policing

Municipal Insurance

Conservation Authority

Land Ambulance

Health Unit

Police Services Board

**CEMC Training/Meetings*

**CEMC Training Mileage/Travel*

**CEMC Planning and Training Supplies*

**CEMC is the Community Emergency Management Co-ordinator*



Cemetery

Expense

The Municipality has two licensed cemeteries under the BAO – Bereavement Authority of Ontario.

- 1. Riverside Cemetery (Active)*
- 2. Pinegrove (Closed)*

Admin staff are licensed under the Ontario Association Of Cemetery And Funeral Professionals to sell plots

Landfill

\$16,951

Expense

Significant increase in 2023 due to recycling costs.

Gillies Township is transitioning to a new framework as governed by the province as of July 1, 2024.

For more information visit...

<https://rpra.ca/>



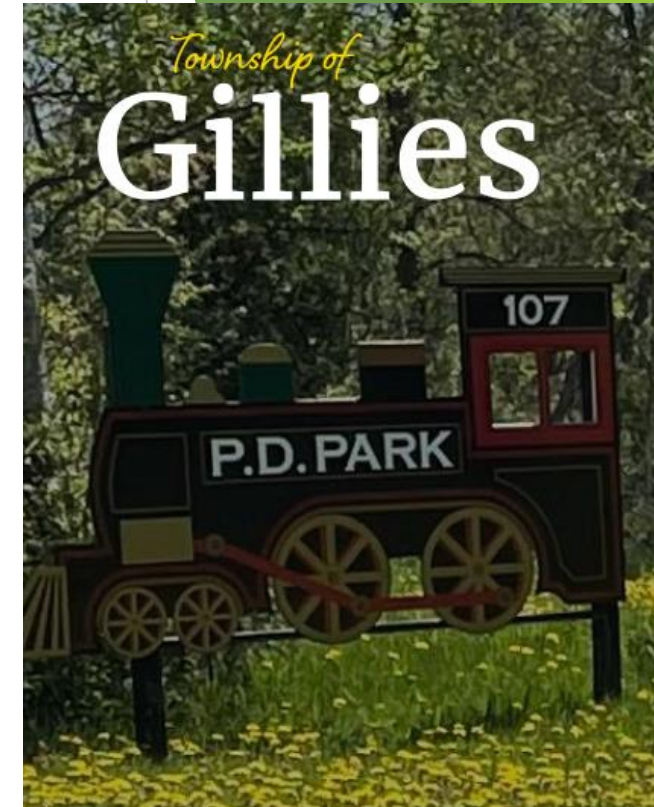
Parks & Recreation

P.D. Park – Pollinator Park

*Did you know that P.D. Park is a Pollinator Park?
This park is located in the LRCA Regulated Area
Minister Mulroney has provided her dedication to protect the
pollinator park by ensuring consultation with the MTO prior to
projects or roadside spraying takes place.*

Did you know...

- Hymers Museum is not owned by the Municipality*
- Gillies Community Centre is not owned by the Municipality*
- Hymers Agricultural Society is not owned by the Municipality*



Volunteer Fire Department (VFD)

\$33,920

Expense examples

- Mileage
- Training
- Memberships
- Vehicle Fuel
- Equipment Purchases
- Vehicle Repairs
- Burn Permits
- Communications
- Safety Supplies
- Honorariums
- Helipad maintenance/repairs
- Capital/grants



Social and Community Services

\$58,913

- Lakehead Rural Planning Board
- Oliver Paipoonge Library
- TBDSSAB (Social Services)
- MPAC



Long Term Debt

\$34,295

- Pumper Loan

Royal Bank of Canada Term loan payable in bi-weekly instalments of \$520 including interest at 2.52%, maturing October 2025

- Backhoe Loan

Debenture payable in semi-annually instalments of \$10,385, including interest at 3.38%, maturing November 2028



Exclusion of Amortization from the Municipal Budget

Ontario Regulation 284/09

- The *Municipal Act*, 2001, as amended, requires that municipalities prepare balanced budgets which include all the annual expenses of the municipality.
- With the implementation of tangible asset accounting in 2009, amortization, post-employment benefits and landfill closure and post-closure costs became an annual expense of a municipality.
- Ontario Regulation 284/09 enacted under the *Municipal Act*, 2001, allows municipalities to exclude amortization, post-employment liability, and landfill closure and post-closure expenses from their annual budgets, but imposes reporting requirements to inform Council of the impact of excluding these costs. Prior to adopting a budget for the year that excludes the noted expenses, a municipality shall prepare and adopt by resolution a report about the excluded expenses.
- Amortization expense in municipal budgets have significant impacts in municipal tax levy requirements. For Gillies Township, and many municipalities, the amount being raised through property taxes to fund capital asset renewals is too low. The proposed 2023 Draft Budget does not include amortization expense or any reserve savings. The 2022 report adopted by Council indicated that if Council were to include those expenses in last years budget, it was estimated that an additional 26% would have been added to the levy.

Next Steps

1. Council will hold a Regular Council Meeting where they will discuss next steps. The Clerk/Treasurer will request that Council discuss the following:
 - a. The possibility of waiving penalty for a specific period of time
 - b. Any potential cuts Council wants to explore
 - c. Increasing revenue by exploring options

2. The Clerk/Treasurer will request from Council at their next Regular Meeting to provide clear direction on the budget in order to best prepare.
 - a. The Treasurer will prepare the report required under O.Reg 284/09 for approval by resolution
 - b. The Clerk will prepare a series of By-laws for budget approval based on Councils direction.
 - c. The tax bills will likely be sent the first week of October with two installment dates of October 31, 2023 and November 30, 2023.

Recap

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Levy Amount Considerations

2022 budgeted revenue that impacted 2023 draft levy

\$ 52,529	Contingency Reserve used as revenue in 2022 to lower tax levy - not raised through taxation
\$ 10,214	Official plan reserve used (removed account) used as revenue in 2022 to lower tax levy - not raised through taxation
\$ 9,000	Office Construction reserve used as revenue in 2022 to lower tax levy - not raised through taxation
\$ 28,988	Prior year surplus used in 2022 to lower levy amount

2023 Draft Budget items that impact the increase to the levy

\$ 9,600	OMPF loss
\$ 2,244	DSSAB increase
\$ 2,755	Misc inflation items
\$ 5,583	Insurance
\$ 2,325	Policing
\$ 11,551	Landfill
\$ 937	Council wage increase for 5 members (\$187 per person)
\$ 20,000	Fuel/repair increase

2023 Draft Budget items that reduce the expense

-\$ 9,439	2023 savings in wages
-\$ 12,271	2023 surplus - Using this amount to offset a further increase
\$ 134,016	

2023 Distribution of Tax Impact by Property

Property Class	No. of Properties	Average Change \$	Lowest Change \$	Highest Change \$	Dollar Increase \$
Residential	313	408	70.00	1,600	127,565
Farm	25	98	25.00	226	2,441
Managed Forests	8	54	56.00	79	430
Commercial	11	309	157.00	1,014	3,398
Commercial Vacant	1	182	182.00	182	182
Total Estimates	358				134,016

Questions

www.gilliestownship.com