TOWNSHIP OF
SOUTH ALGONQUIN

2016 MUNICIPAL BUDGET

Message from the Mayor

Council and staff have worked to ensure a budget process with financial resources allocated wisely.

In our budget process the township has:

- Met the legislative requirements of the Municipal Act 2001 (MA)
- Planned for the future through strategic planning
- Held an open budget process that shows how tax dollars are spent
- Planned for the fiscal challenges of the Township of South Algonquin
- Prepared a budget to effectively cover operating expenses and capital planning by implementing a 5 year capital projects plan and reserves plan
- Aligned budget better with Financial Information Return (FIR)

The budget process meets the needs of the township today and looks to the future needs of the township as well.

Budget Challenges / Future Planning

- Continual decrease in transfer payments from provincial government
- Policing - increased annual costs plus new billing model resulting in further additional annual policing costs – 2016 - $259.88/household

Fiscally prudent

- 4 years of balanced budgets with only slight increase to residential taxes in 2015
- Internal efficiencies – reviewing all purchased services to ensure the most economical and effective provision of service e.g. telephone/internet costs, LED street lights
- Reviewing contracts for competitive pricing
- Applying for grants to offset project costs
- Long term project planning - identified projects throughout the township to complete 2015 -2020 in relation to asset management plan
- Reserves - dedicated funds in reserve for projects throughout the township
  - funds allocated to continue to enhance accessibility

Revenue from Taxation

2012	2013	2014	2015	2016
$1,667,081	$1,735,870	$1,842,595	$1,958,524	$2,129,449

Total Expenses

2012	2013	2014	2015	2016
$3,088,848	$3,399,898	$3,048,010	$3,330,914	$3,561,307

Revenues from Taxation as a % of Total Expenditures

2012	2013	2014	2015	2016
54%	51%	60%	59%	60%

REVENUES RECEIVED THROUGH GRANTS

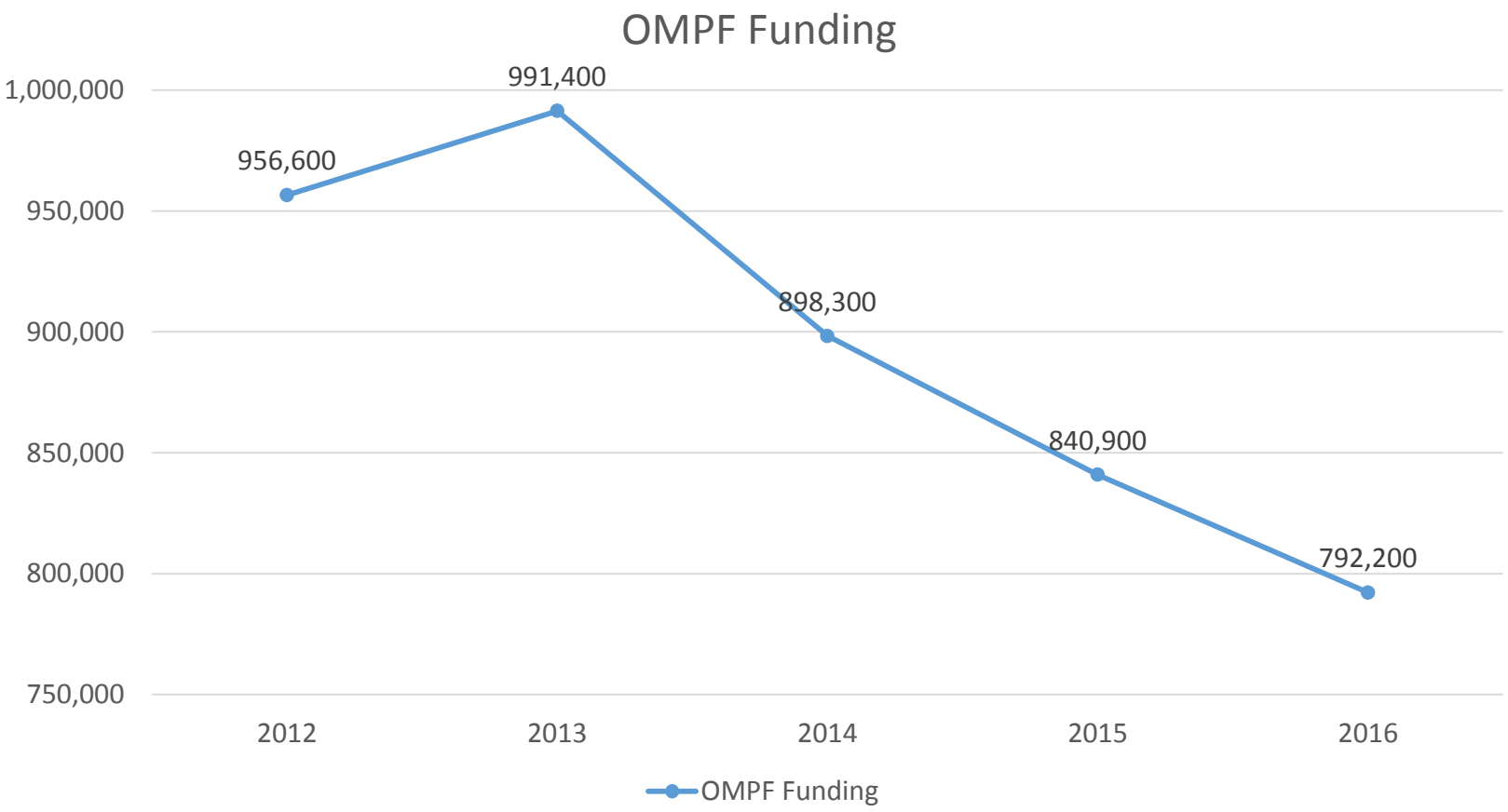
Transfer Payments (OMPF) to the Township reduced by $48,700

REVENUES-Levies/Province	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget
Policing Costs (Realignment)		$ 19,799		$ 37,084	
Unconditional/Block Grant (OMPF)	$ 956,600	$ 956,600	$ 898,300	$ 840,900	$ 792,200
Court Security Transportation	$ 69	$ 69	$ 200	$ 1,139	$ 1,327
YEARLY TOTALS	**$ 956,669**	**$ 976,468**	**$ 898,500**	**$ 879,123**	**$ 793,527**

1,230 IS THE TOTAL HOUSEHOLD COUNT FOR UNCONDITIONAL GRANTS ACT PURPOSES

2016 – TOTAL DECREASE OF $85,596

Ontario Municipal Partnership Fund (OMPF)



$48,700 DECREASE FROM 2015

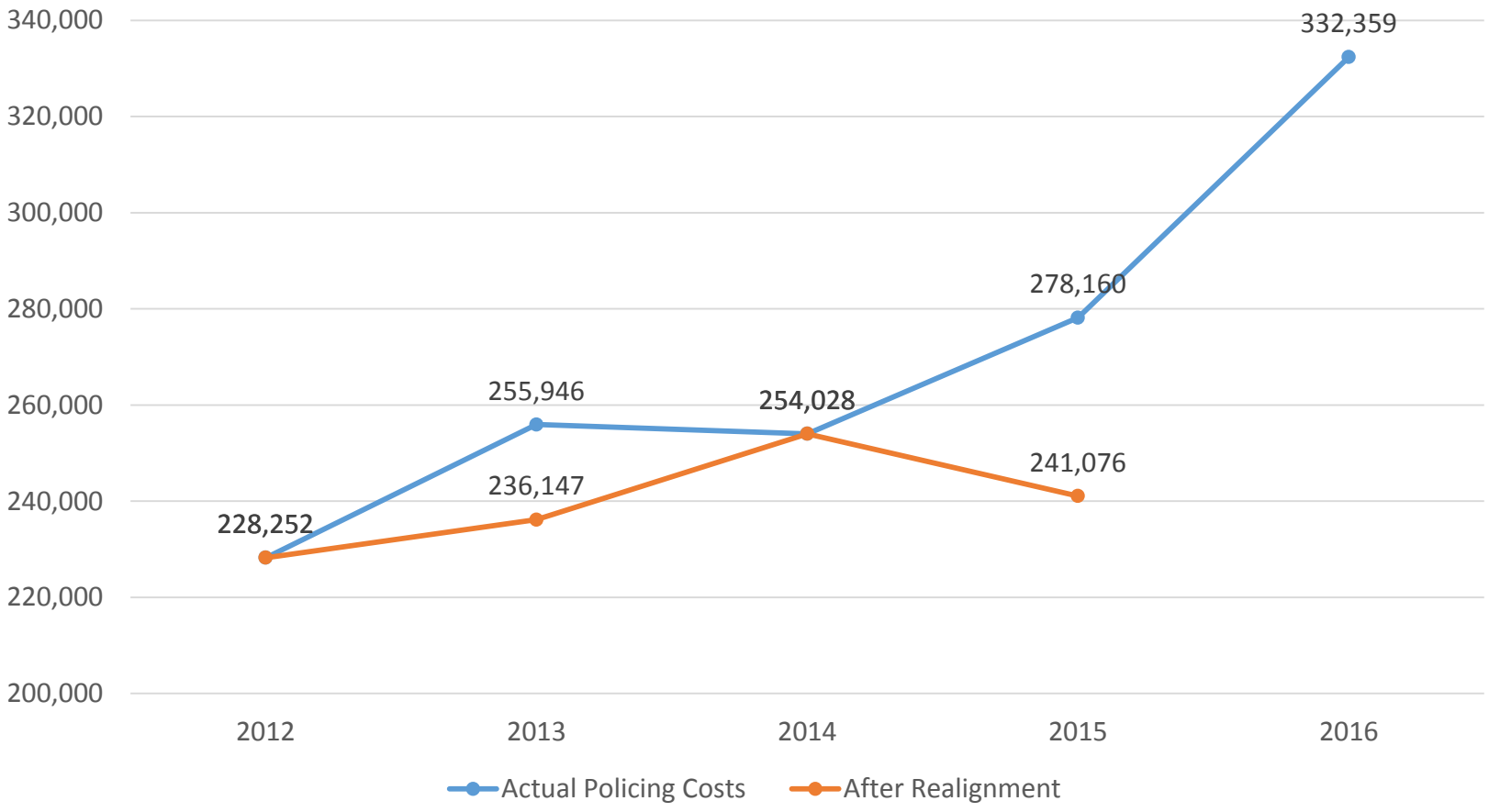
EXPENDITURES - LEVIES PAID TO THE PROVINCE

**This does not include the year end adjustment based on the new billing model for policing **

EXPENDITURES- Levies	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget
Police Protection	$ 228,247	$ 236,971	$ 254,023	$ 278,160	$ 332,359
Renfrew County Health Unit	$ 20,273	$ 20,273	$ 20,273	$ 16,055	$ 19,476
District of Nipissing Social Services	$ 478,716	$ 469,457	$ 465,185	$ 468,074	$ 468,830
Cassellholme (Home for the Aged)	$ 92,734	$ 100,463	$ 102,904	$ 104,144	$ 104,144
Planning - Assessment (MPAC)	$ 41,359	$ 41,199	$ 41,187	$ 41,210	$ 41,073
YEARLY TOTALS	**$ 861,329**	**$ 868,363**	**$ 883,572**	**$ 907,643**	**$ 965,882**

2016 - INCREASE OF $58,239

Policing Costs



$54,199 INCREASE FROM 2015

Before Analyzing Departments….

Decrease in Revenues	85,596
Increase in Expenses	58,239
Decrease in Cash Flow	**143,835**

In order to cover this shortfall, we would need to increase rates by 7%

2015 Growth

- “Growth” is considered NEW assessments
- For 2015, the growth was only 0.1% for all tax classes
- Factoring Payment in Lieu (PIL) properties, this translates to only $2,525 in additional revenue
- Very little to no growth
    - 2013 – 1.4%
    - 2014 – 0.8%
    - 2015 – 0.1%

If we increased taxes by 7%...

- $100,000 assessment at 2015 residential total tax rate
  = $968.23

- $104,000* assessment at 2015 residential total tax rate + 7%
  = $1,055.97

- Difference of $87.74/$100,000 of 2015 assessment

*Average value assessment increase for single family home is 4%

However…..

- As per the Municipal Act “in preparing the budget for a year, the local municipality shall treat as estimated revenues ANY surplus of ANY previous year”
- As of December 31, 2015, the **cumulative** unrestricted surplus is $279,945
- For 2015, the surplus was $63,070 (less than 2% of budget)

Increasing rates by 4%

- $100,000 assessment at 2015 residential total tax rate
  = $968.23

- $104,000* assessment at 2015 residential total tax rate + 4%
  = $1,031.88

- Difference of $63.65/$100,000 of 2015 assessment

*Average value assessment increase for single family home is 4%

Distribution of Tax Impact

Properties with Increases

Dollar Increase	Number of Properties	% of Total	% of Grand Total	Average Change
0 -100	1009	68.36	68.36	49
100 -200	353	23.92	23.92	130
200 -300	79	5.35	5.35	246
300 -500	27	1.83	1.83	374
500 -700	5	0.34	0.34	548
700 -1,000	1	0.07	0.07	755
1,000 -1,500	1	0.07	0.07	1,161
1,500 -2,000	1	0.07	0.07	1,748
2,000 -3,000	0	0.00	0.00	
3,000 -Over	0	0.00	0.00	
Total	1476	100	100.00	89
Grand Total	1476			89

*This factors in Education Rate as well as Assessment Change

Unknown Factors For the Future

- New Policing Model
    - Cost per Service
    - 2017 Rates
- 2016-2020 MPAC Market Value Assessments
    - Many properties are already at market value and some may be reduced
    - Preliminary figures show a decrease of over **$15,000,000** on residential assessments for 2017
    - If properties have a decrease, FULL amounts will take effect in 2017 and remain the same until 2020 (no phased in amounts for decreases)

2016 Residential Tax Rate

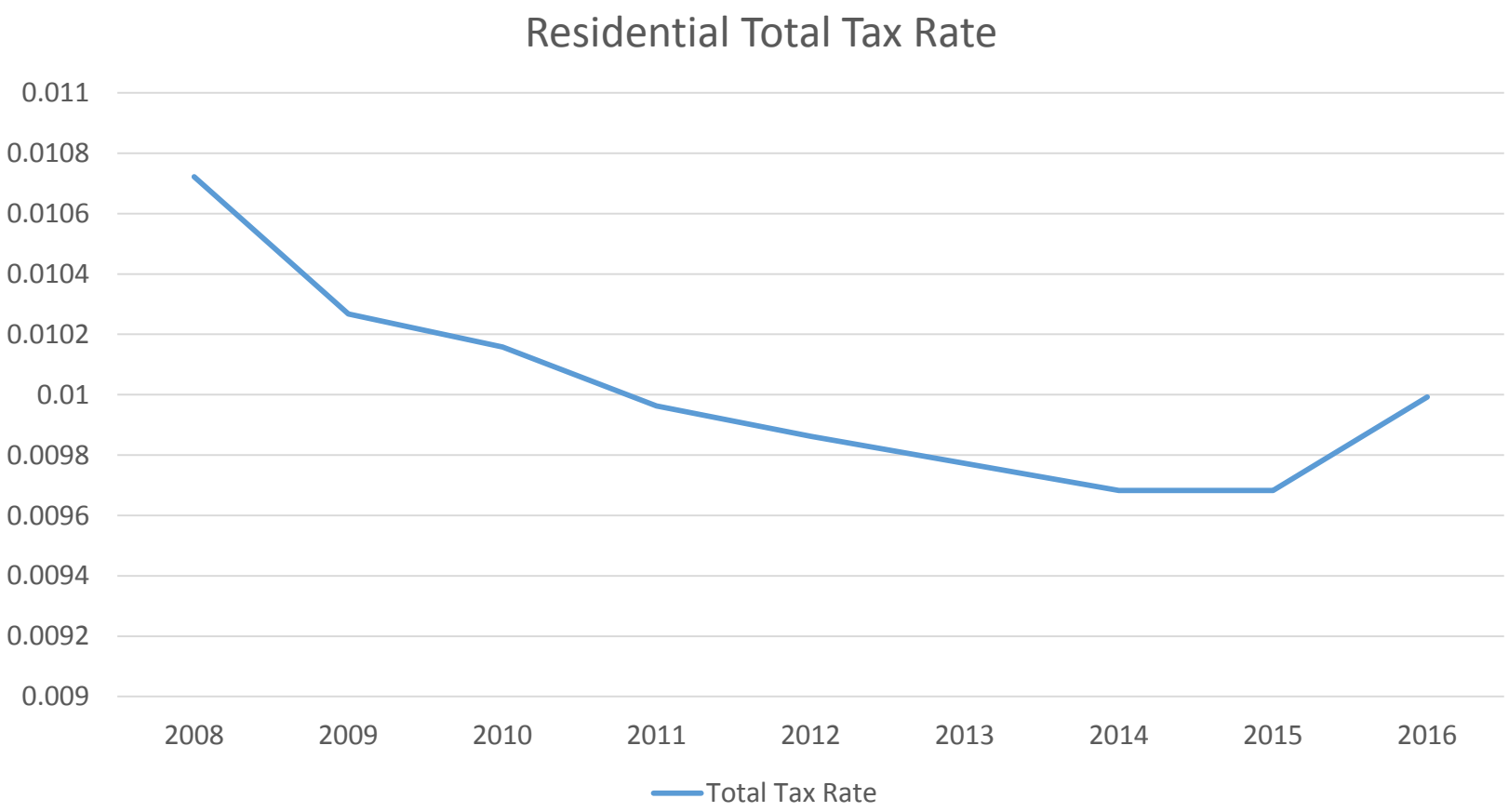
- Council is responsible for setting the Municipal Portion of the residential tax rate.
- The Province sets the Provincial portion of the tax rate for all tax classes (education).
- The Municipal tax rate for all other tax classes (ie. commercial, farm, etc.) is calculated as a percentage of the residential rate.

	2015 Starting Tax Ratios	2015 Tax Ratios
Residential	1.000000	1.000000
Multi-Residential	0.000000	0.000000
Commercial	1.980000	1.980000
Industrial	2.630000	2.630000
Pipelines	0.000000	0.000000
Farm	0.250000	0.250000
Managed Forests	0.250000	0.250000
Commercial subclass reduction factor (0.65-0.7):		0.7
Industrial subclass reduction factor (0.65-0.7):		0.65

Tax Rate Comparison

Year	Residential Municipal Tax Rate	Residential Education Tax Rate	Total Residential Tax Rate
2016	0.00804193	0.00188000	0.00992193
2015	0.00773233	0.00195000	0.00968233
2014	0.00765233	0.00203000	0.00968233
2013	0.00765233	0.00212000	0.00977233
2012	0.00765233	0.00221000	0.00986233
2011	0.00765233	0.00231000	0.00996233
2010	0.00774774	0.00241000	0.01015774
2009	0.00774774	0.00252000	0.01026774
2008	0.00808165	0.00264000	0.01072165

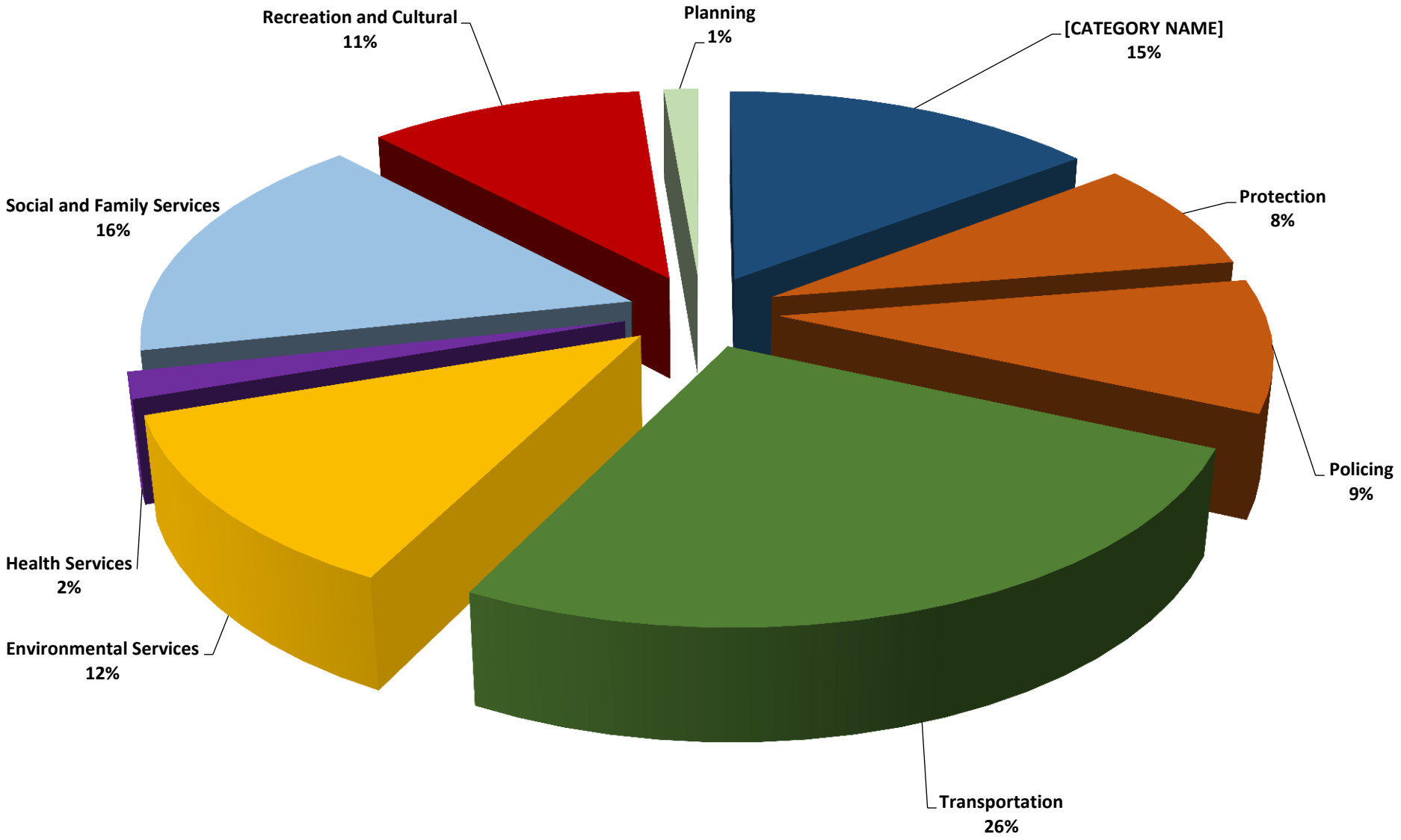
Tax Rate Comparison



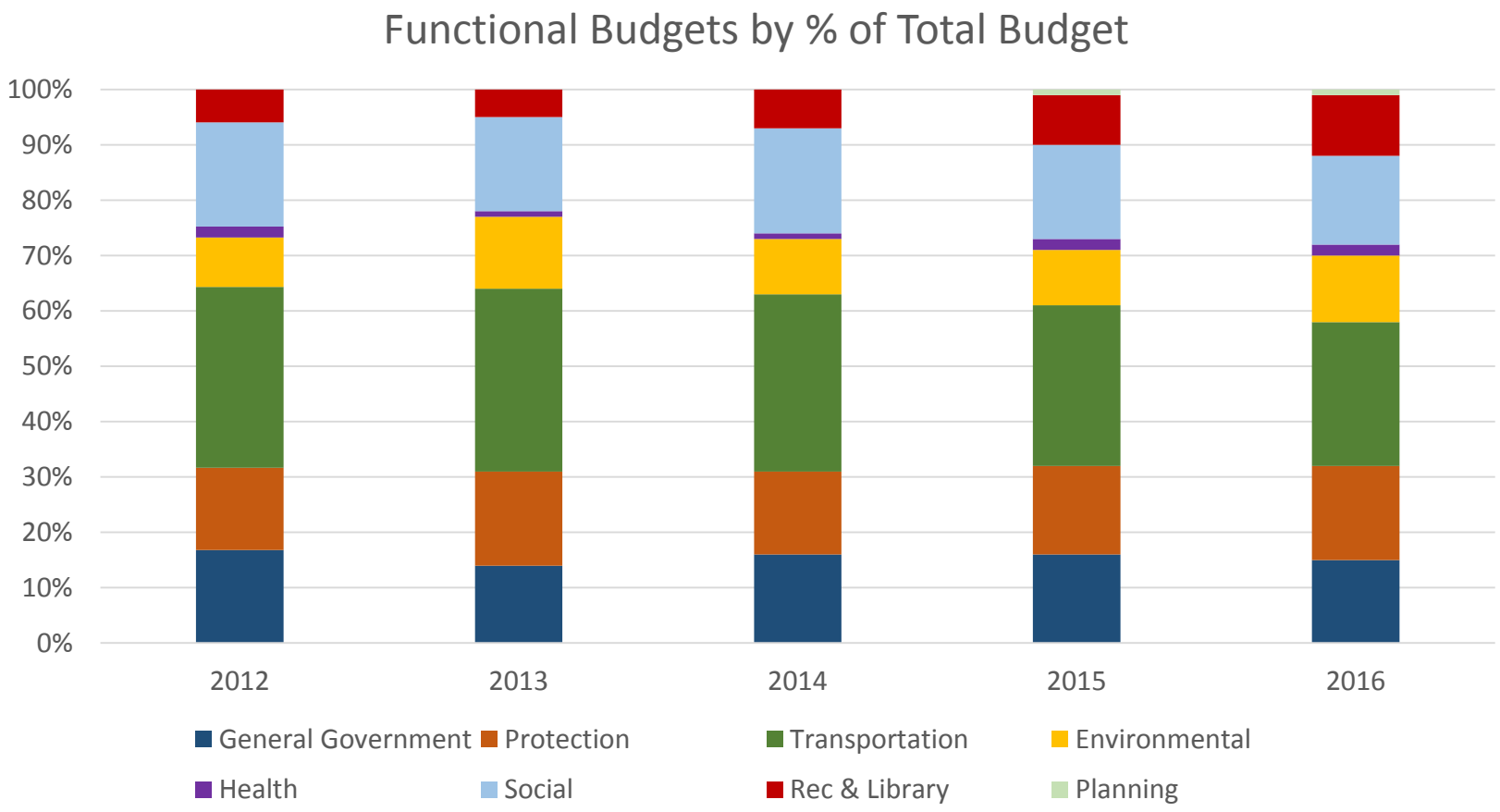
Functional Categories

- General Government
  - Council
  - Administration
  - Emergency Management
  - MPAC Fees
- Environmental Services
  - Rural Storm Sewer
  - Garbage Collection
  - Garbage Disposal
  - Waste Diversion
- Health Services
  - Medical Building
  - Doctor Recruitment
  - Ambulance Building
- Recreation & Cultural Services
  - Facilities, Parks, Programs
  - Libraries
- Protection Services
  - Fire
  - Policing
  - Animal Control
  - Building
  - Emergency Measures
- Transportation
  - Roads
  - Bridges & Culverts
  - Street Lighting
- Social and Family Services
  - Resource Centre Building
  - Seniors Centre Building
  - District of Social Services Administration Board
- Planning
  - Zoning
  - Severances

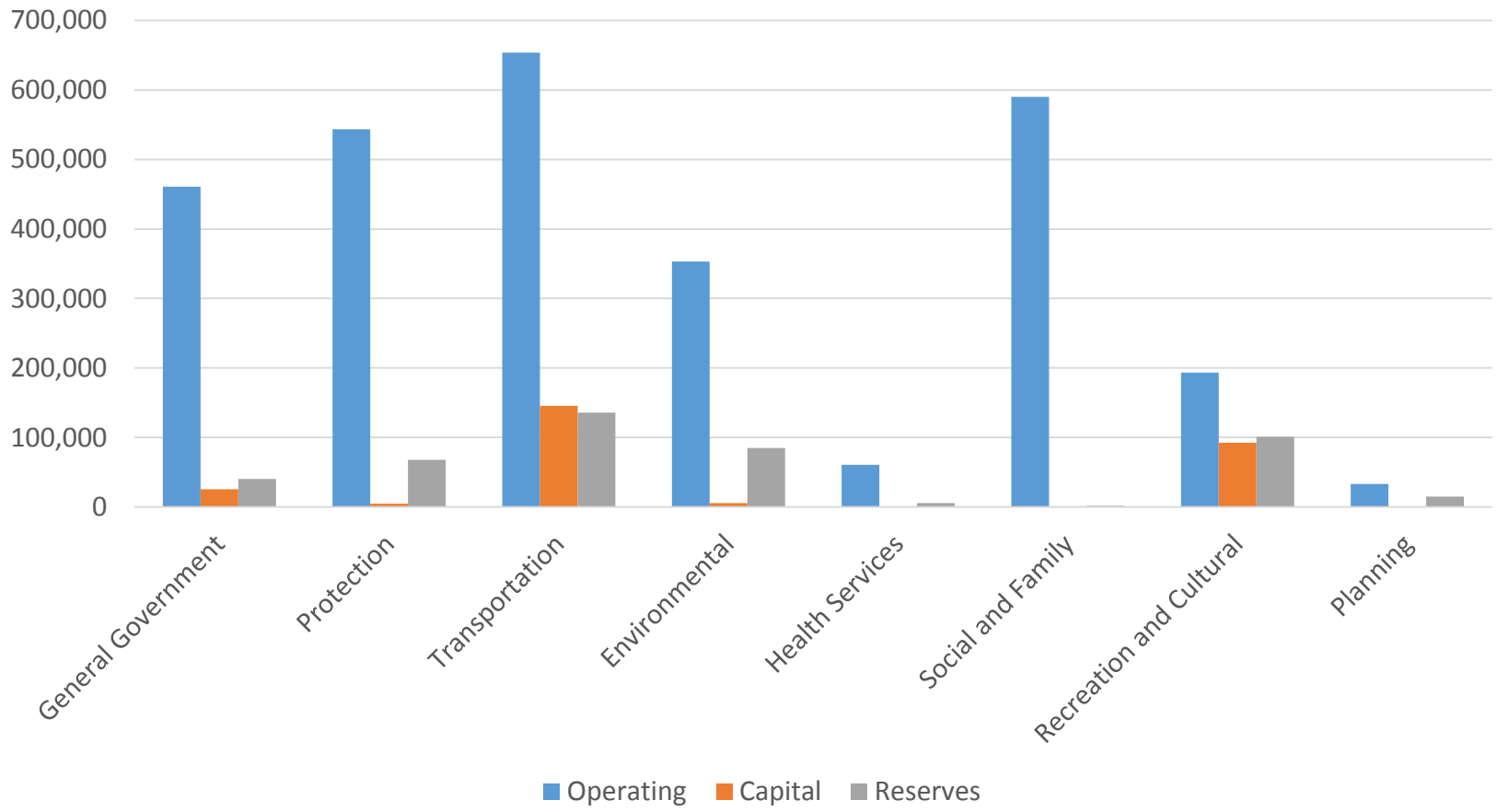
2016 Budget Expenditures by Function



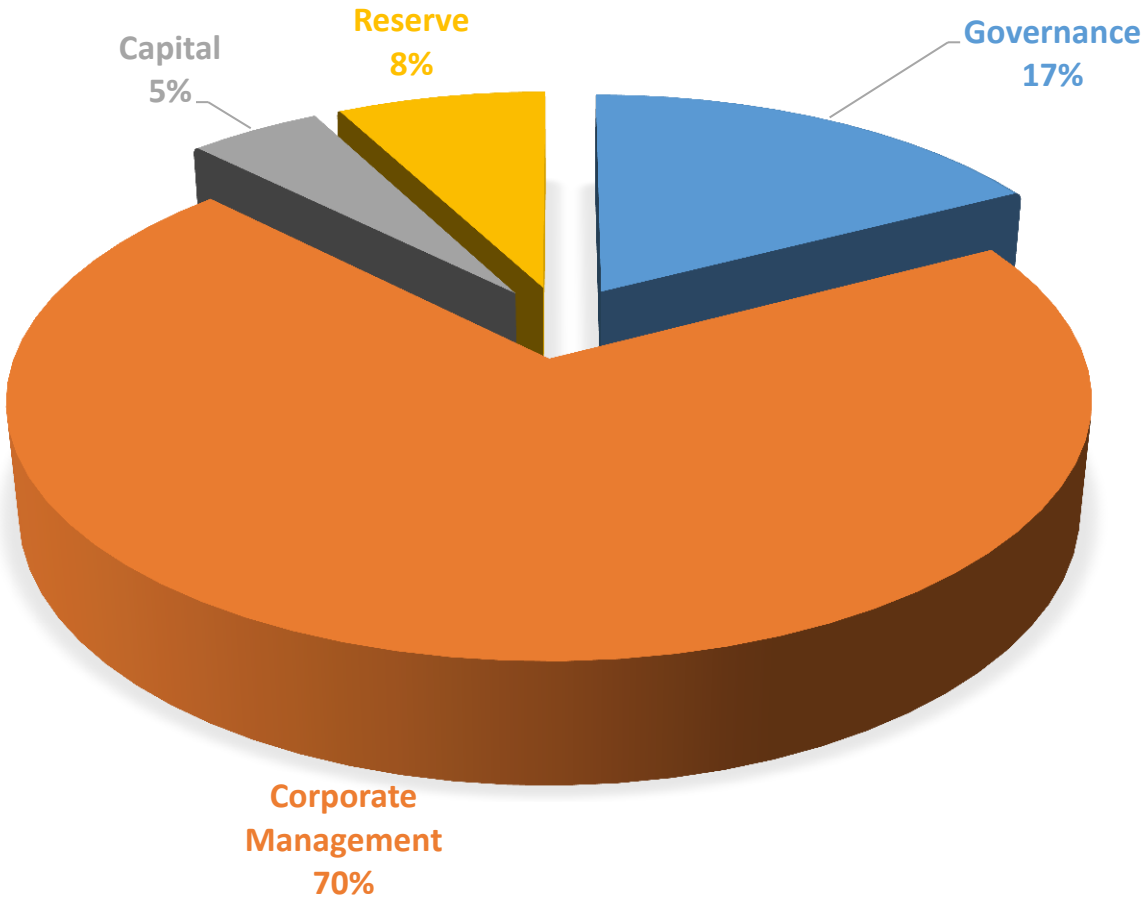
Budget Comparisons by Function



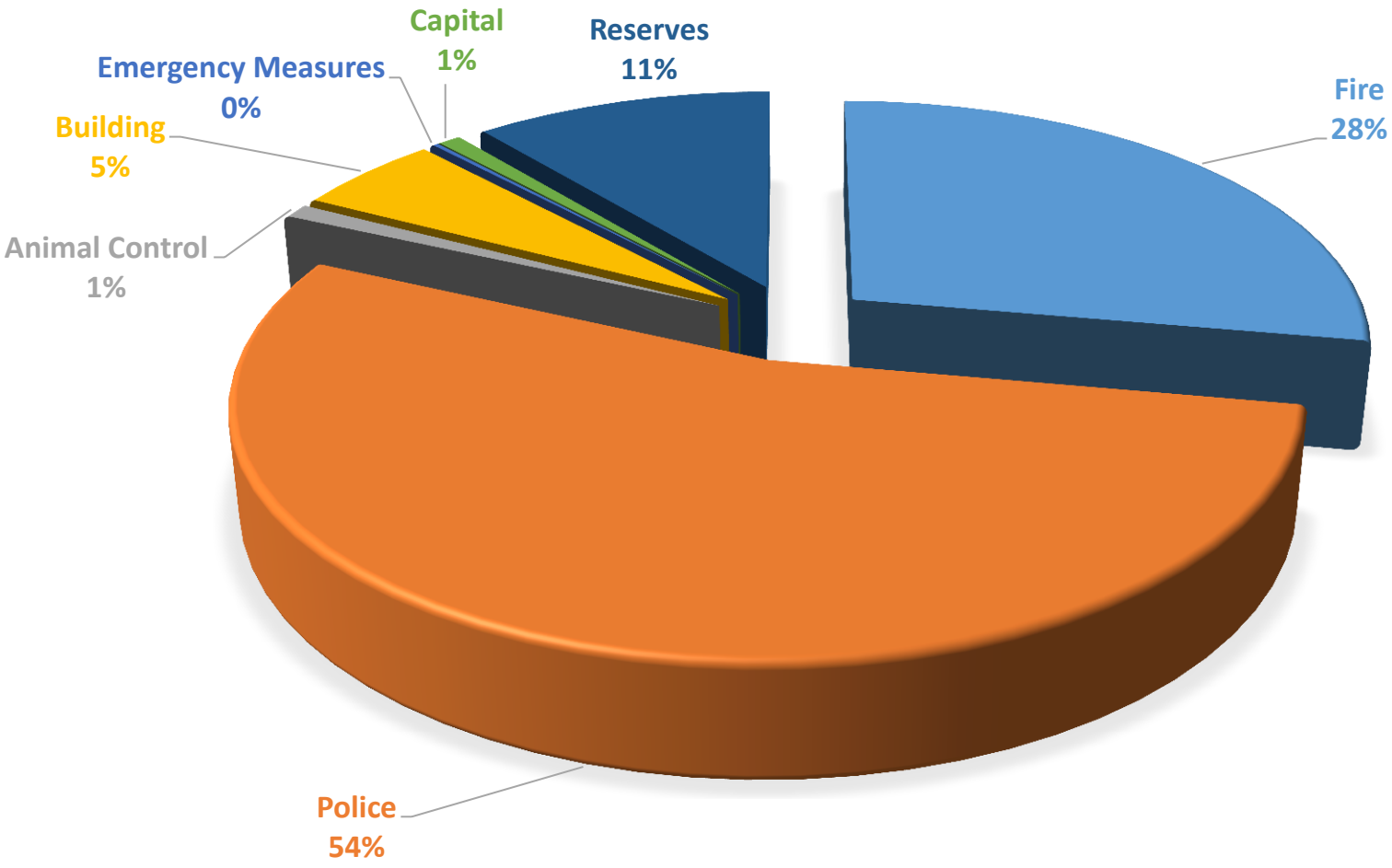
Functional Class Details



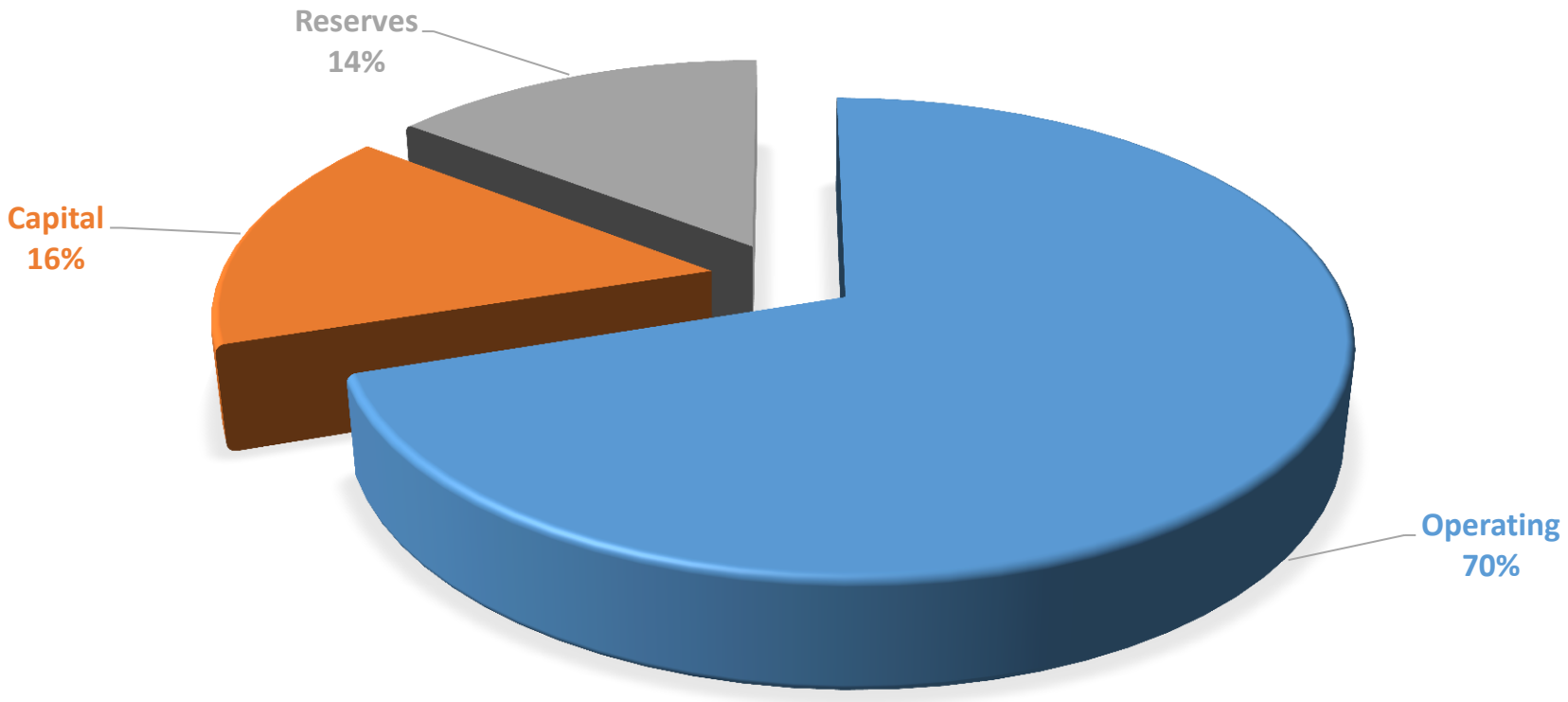
General Government



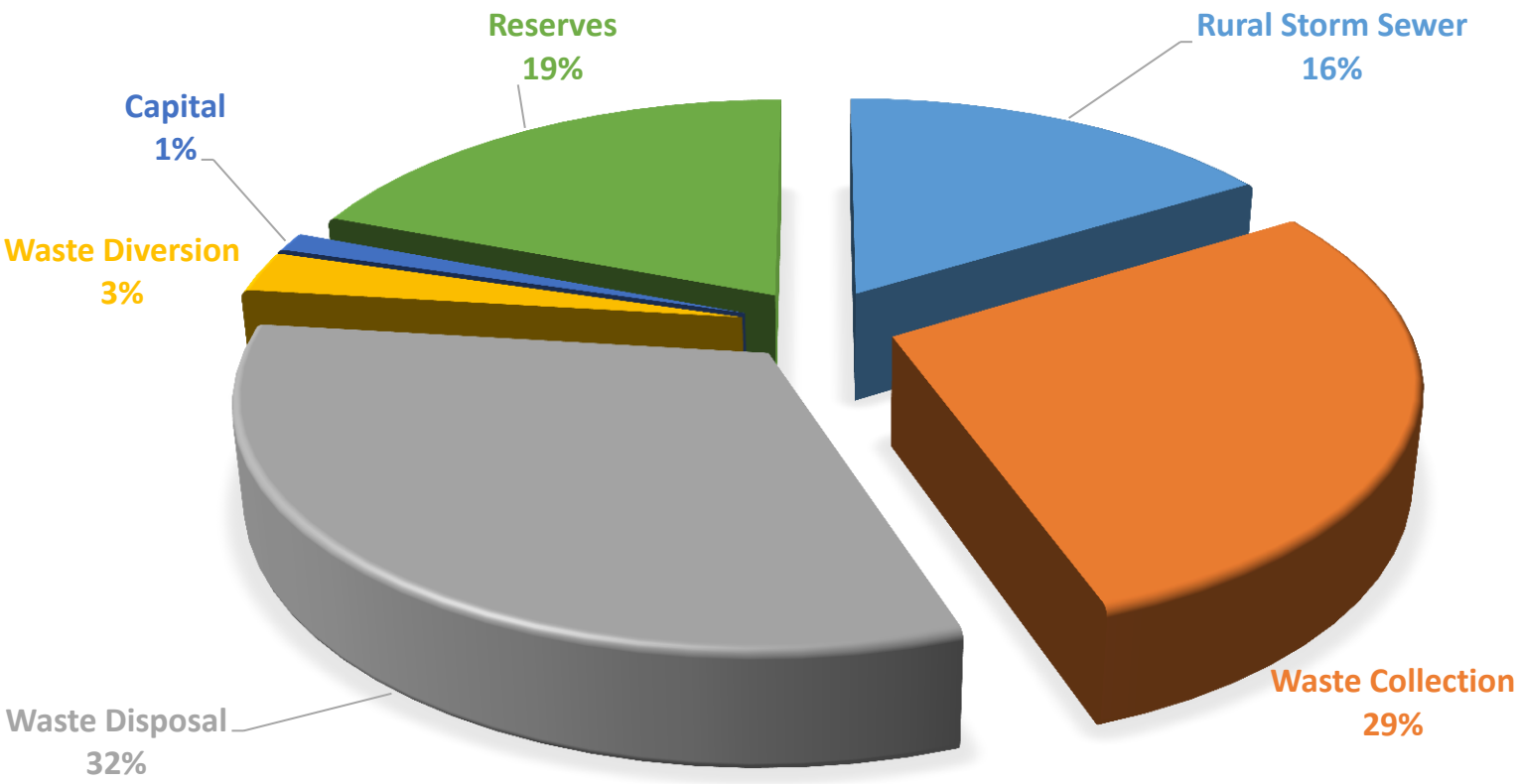
Protection Services



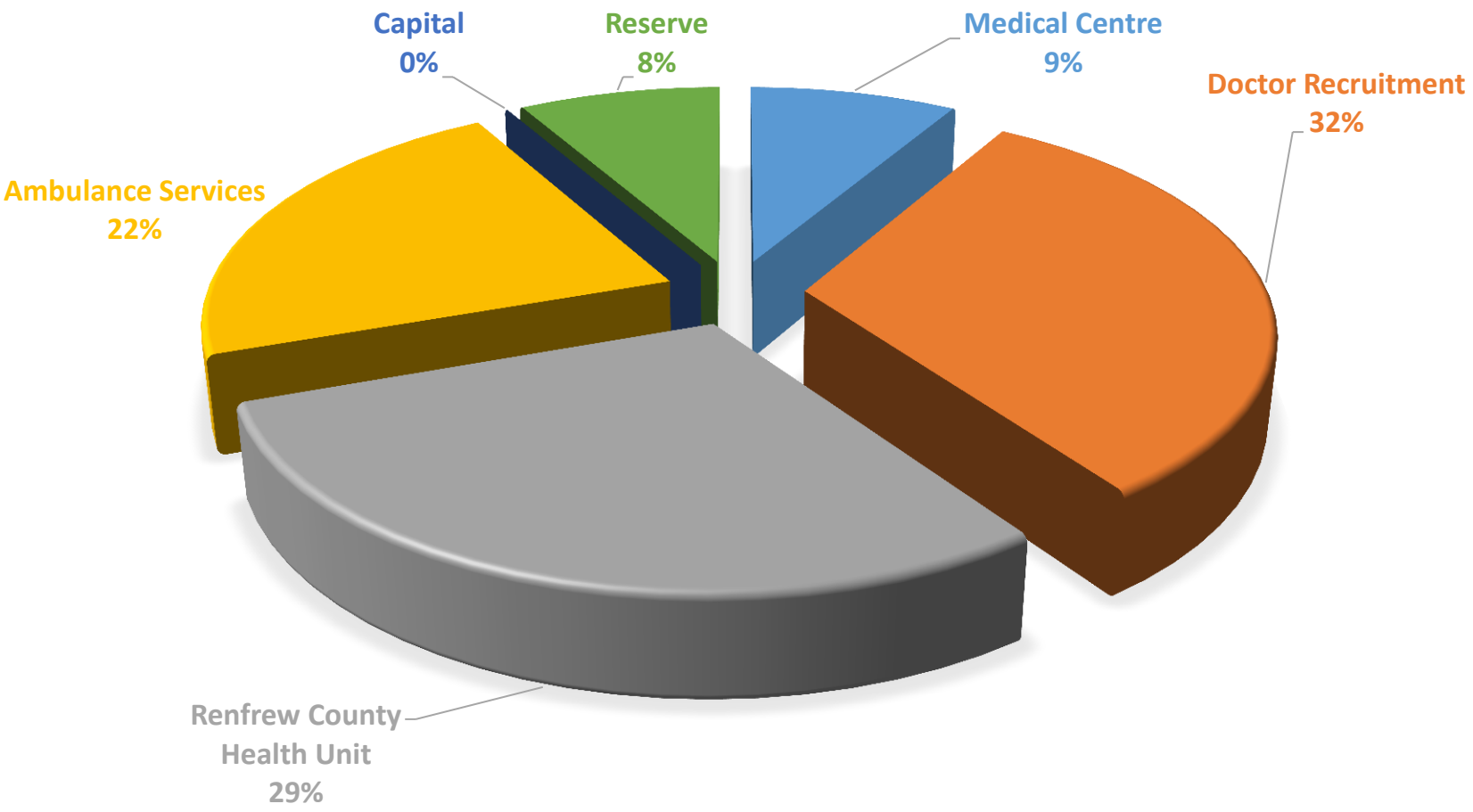
Transportation



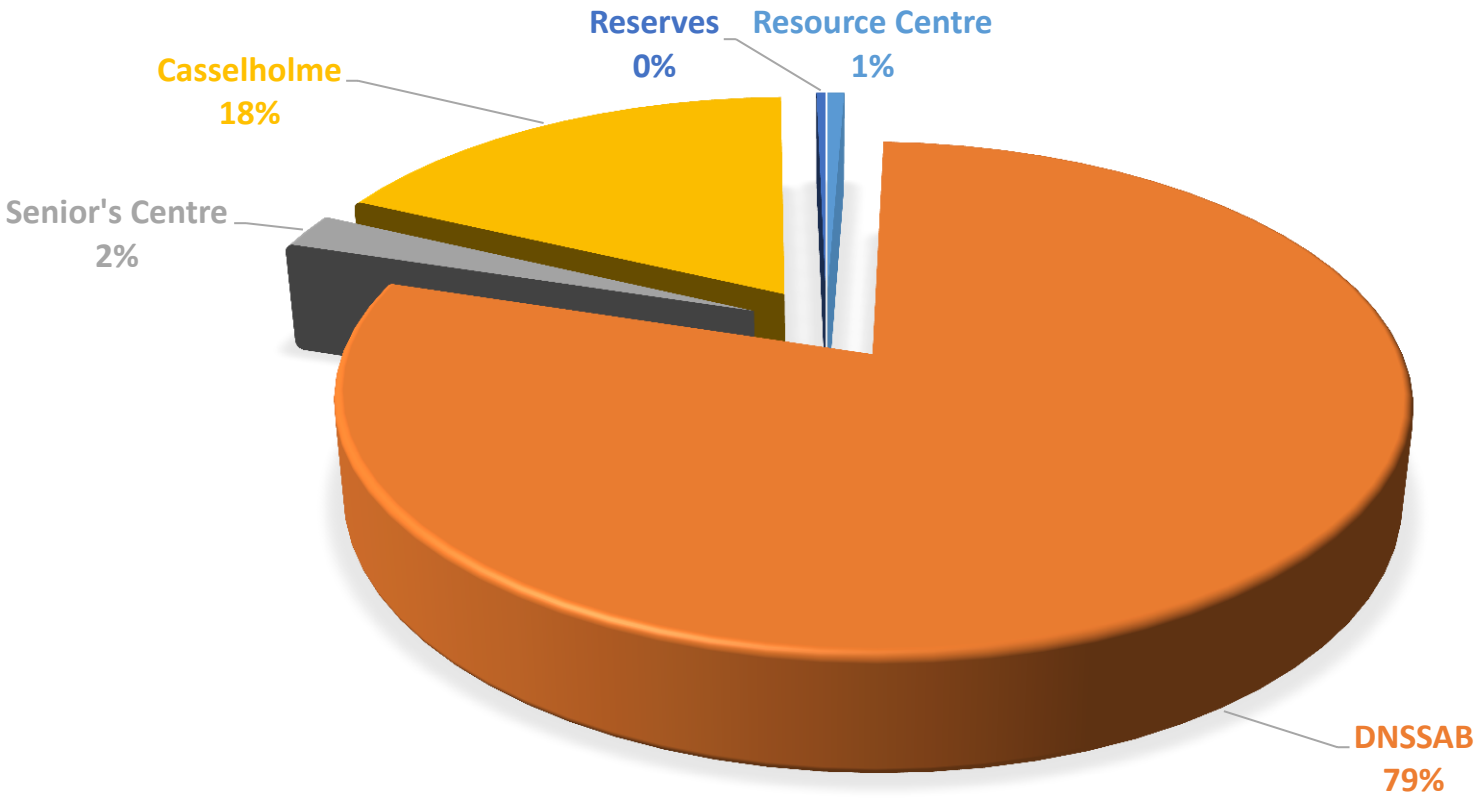
Environmental Services



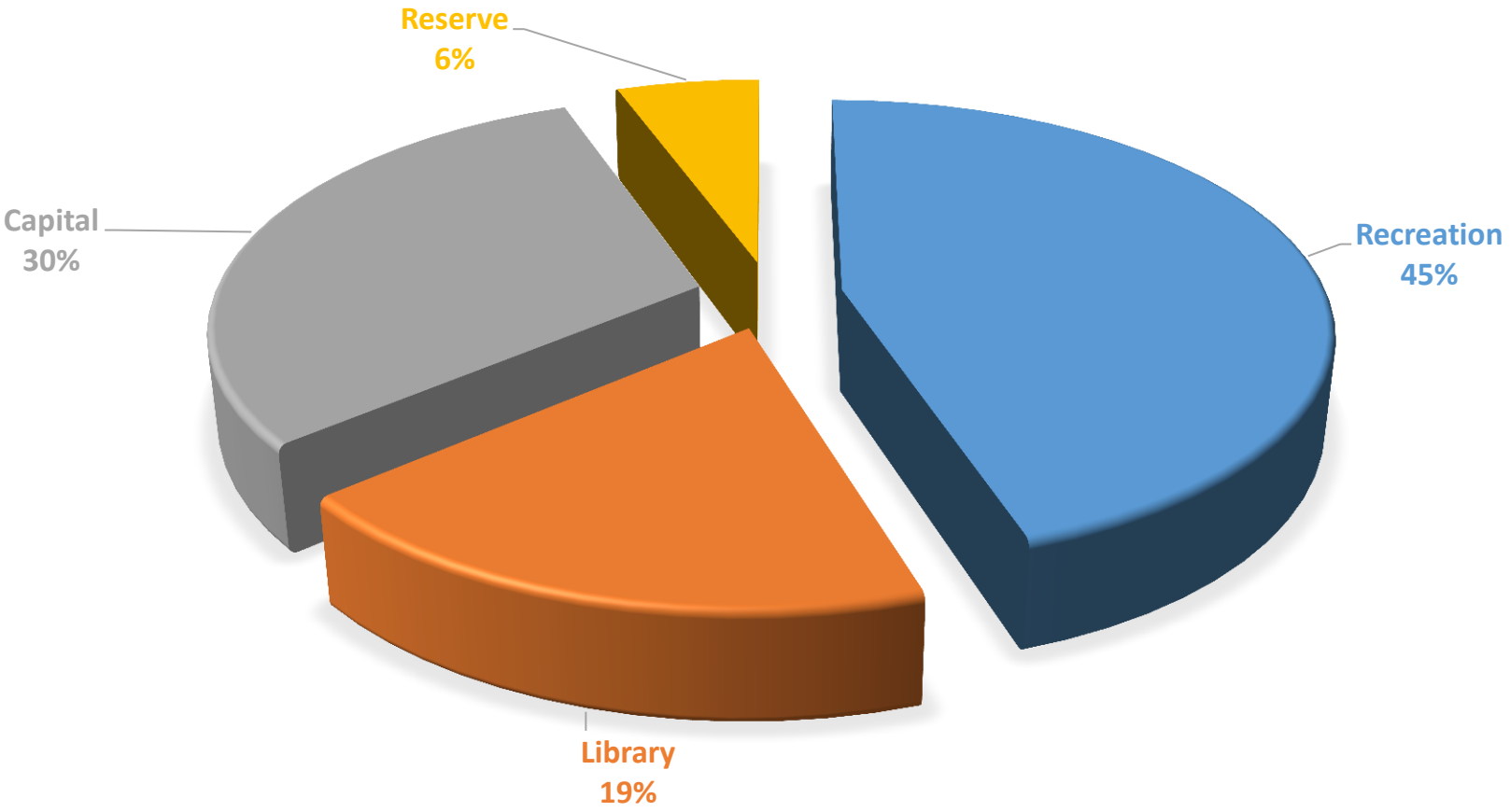
Health Services



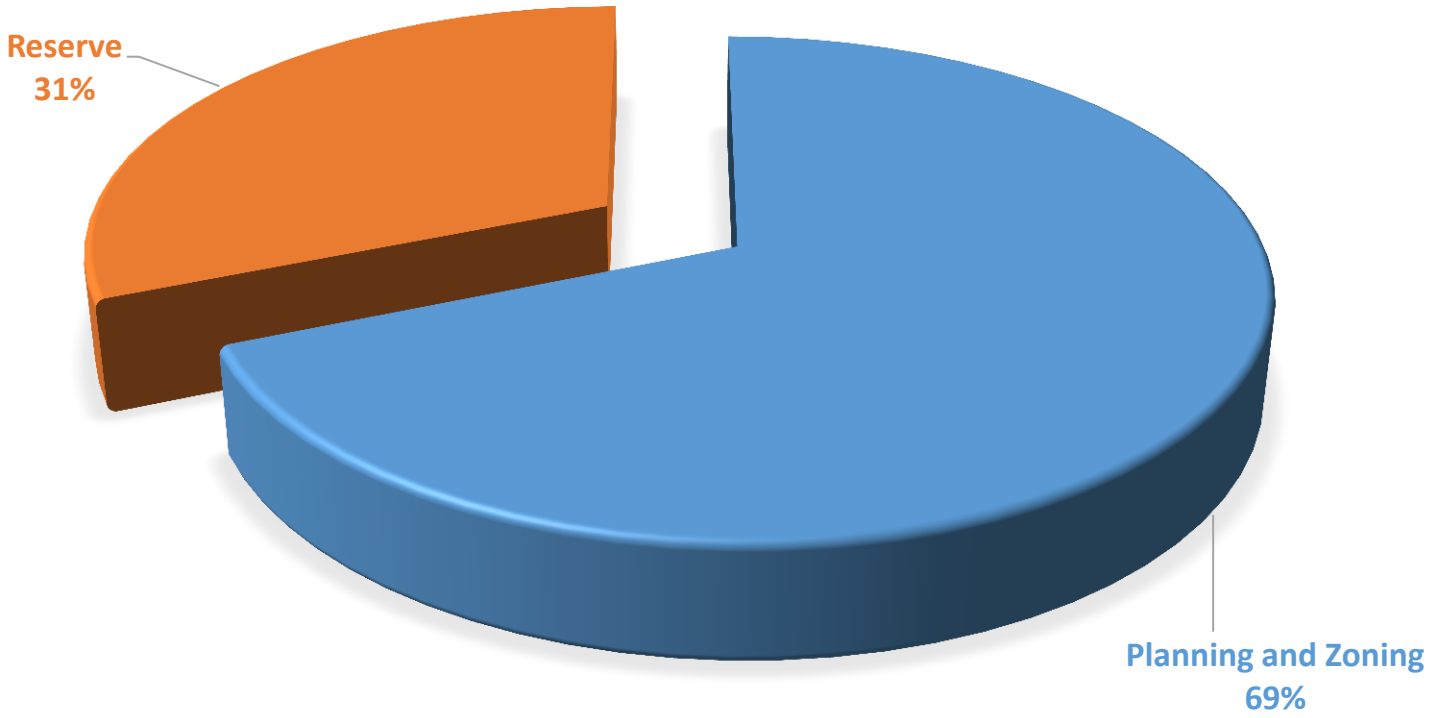
Social and Family Services



Recreation and Cultural Services



Planning and Development



Regulation 284/09

- May exclude from budget
    - Amortization
    - Post-employment benefits
    - Solid waste landfill closure and post-closure expenses
- Must prepare and adopt by resolution a report prior to adopting budget
    - An estimated change in the surplus resulting from exclusion
    - An analysis of estimated impact of the exclusion on future tangible capital asset funding requirements