



Corporate Overview

Committee of the Whole
February 9, 2023

Lisa Chen, Director of Finance and Treasurer
Daniel Cooke, Senior Financial Analyst
Crystal Doucette, Manager of Account

2023 BUDGET

Agenda

- ▶ 2023 Budget Meeting Dates
- ▶ Corporate Overview
 - Brock Township Profile and Economic Indicators
 - Property Taxation
 - 2023 Operating Budget
- ▶ Labour Negotiations - closed session
- ▶ Departmental Presentations
 - Includes staffing requests and new programs
 - Endorsement to forward to Council
- ▶ Next Steps
 - Presentations continue on February 13

2023 Budget Meeting Dates

- ▶ Committee of the Whole, 10AM to 4PM with lunch break
 - February 9
 - February 13 (departmental presentations continue)
- ▶ Virtual Public Meeting on February 13, 2023 at 6PM
- ▶ Council deliberation on February 27, 2023



Brock Township Profile and Economic Indicators

Daniel Cooke, Senior Financial Analyst

2023 BUDGET

Total Population & Dwellings

Brock Township Population & Dwelling Totals					
	2021		2016		2011
	Total	% Change	Total	% Change	Total
No. of Residents	12,600	8%	11,700	3%	11,350
No. of Dwellings	4,800	5%	4,500	5%	4,300

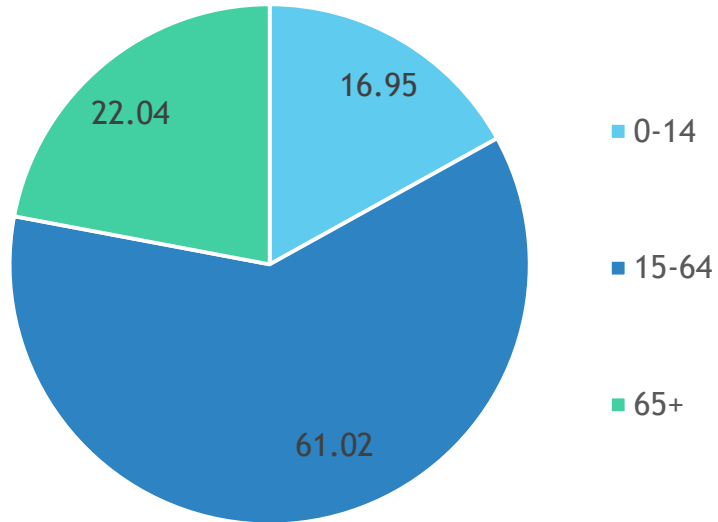
- ▶ Comparison to Province as a whole:
 - Population increase of 8% 2016-2021 greater than Ontario growth of 6%
 - Dwelling increase of 5% 2016-2021 less than Ontario growth of 6%
- ▶ Result of:
 - Bigger families moving to Brock, buying from older residents with small household size
 - More families having children
 - High housing prices may have encouraged group buying

Household Sizes

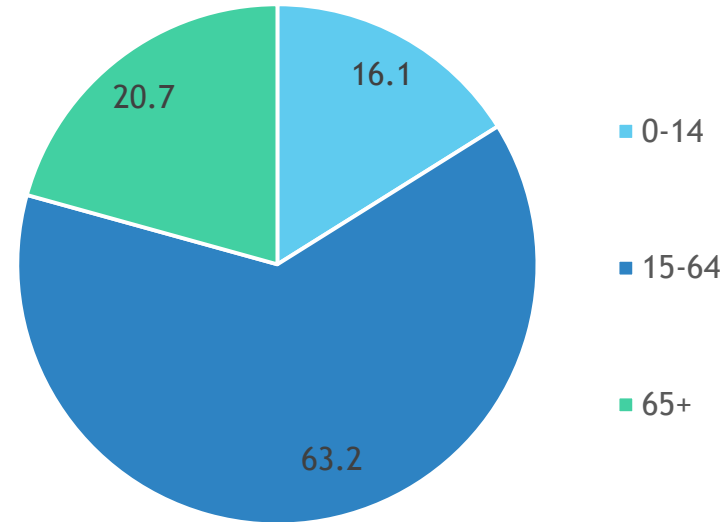
- ▶ 2021 size of 2 persons or less was 2,875, versus 2,825 in 2016, a 1.7% increase
 - Less than the average Ontario growth of 7.1%
- ▶ 2021 size of 3-4 persons was 1,440 versus 1,290 in 2016, an 11.6% increase
 - Greater than the average Ontario growth of 4.1%
- ▶ 2021 size of 5+ persons was 470 versus 430 in 2016, a 9.3% increase
 - Greater than the average Ontario growth of 7.7%

Population Aging

2021 Breakdown



2016 Breakdown

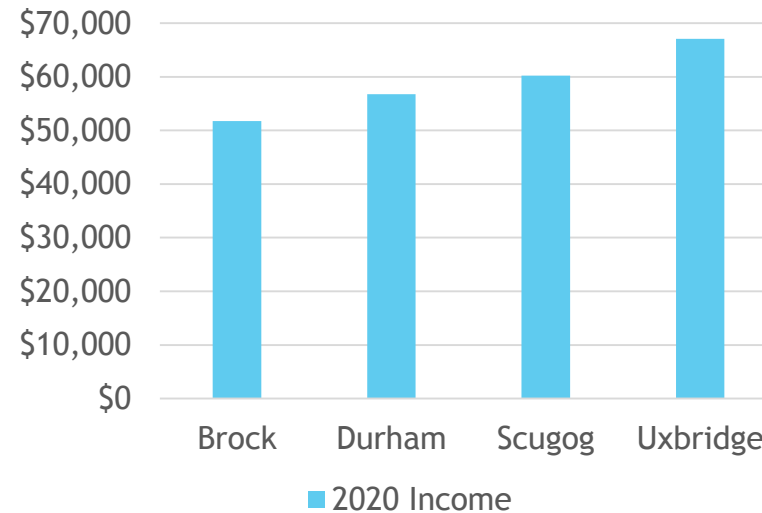


Population Aging

- 2021 aged 0-14 is 2,130 versus 1,875 in 2016, a 13.6% increase
 - ▶ Greater than the average Ontario growth of 1.9%
- 2021 aged 15-64 is 7,670 versus 7,360 in 2016, a 4.2% increase
 - ▶ Greater than average Ontario growth of 3.8%
- 2021 aged 65+ is 2,770 versus 2,410 in 2016, a 14.9% increase
 - ▶ Less than average Ontario growth of 17.1%

Income Comparison

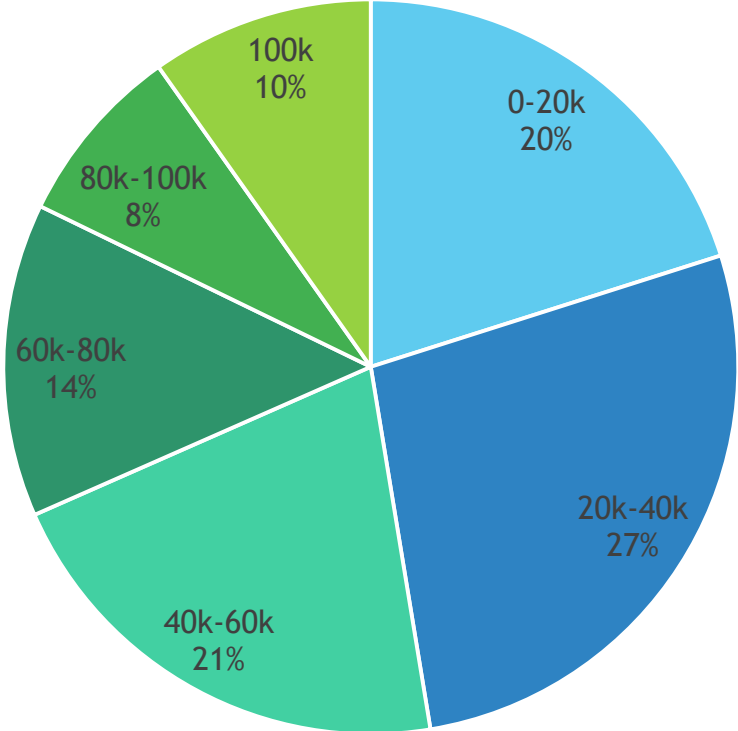
- ▶ 2020 average income is 51,750, which is less than:
 - ▶ Durham average of 56,750
 - ▶ Scugog average of 60,200
 - ▶ Uxbridge average of 67,100



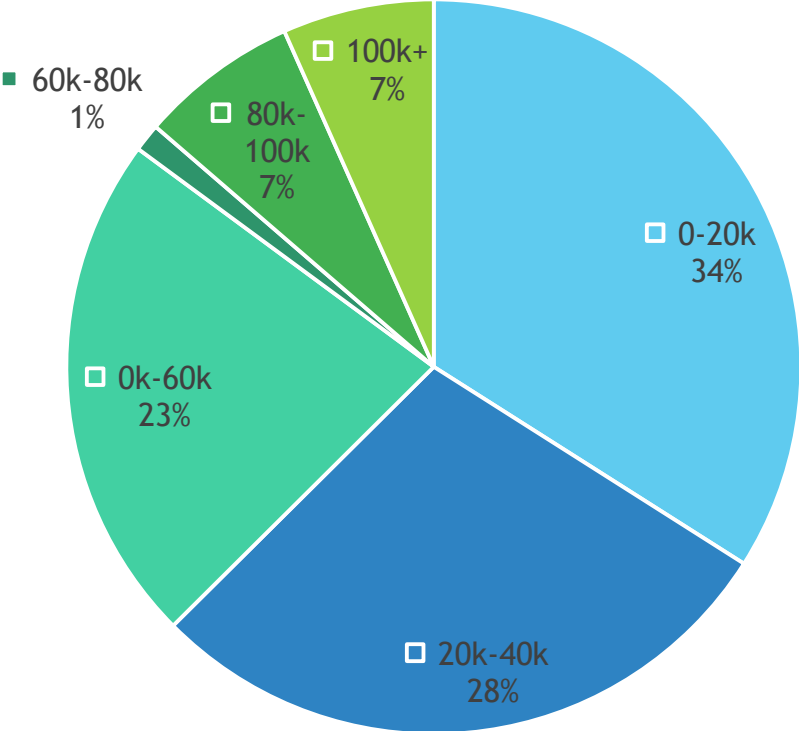
- ▶ Increasing property taxes is a balancing act when compared to higher income municipalities

Income Tiering

Income Tiers - 2020

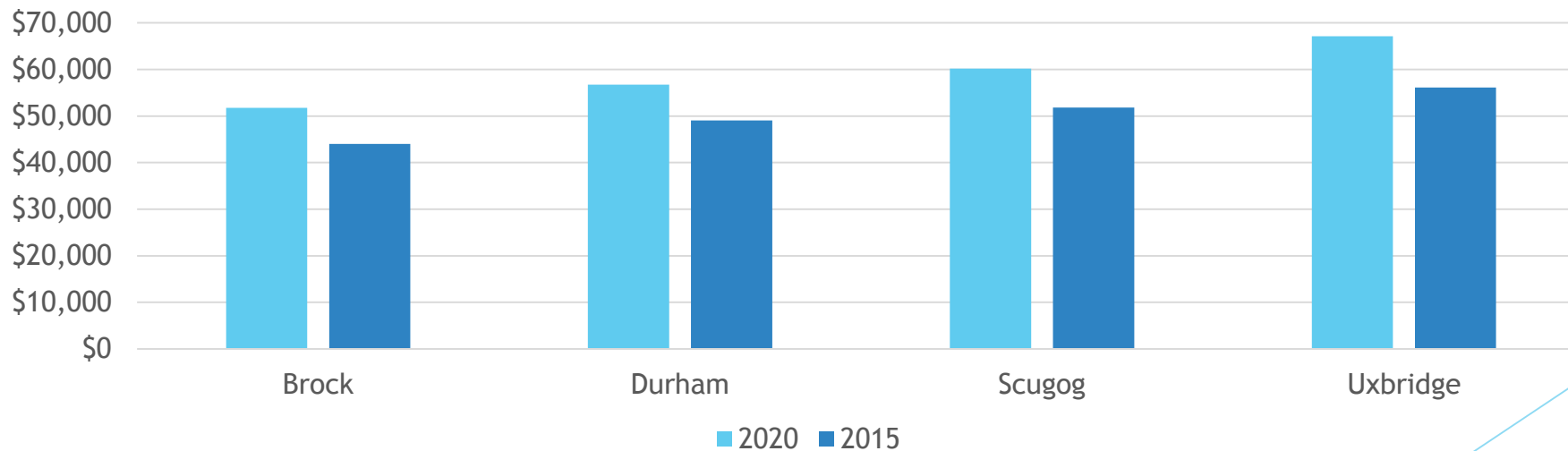


Income Tiers - 2015



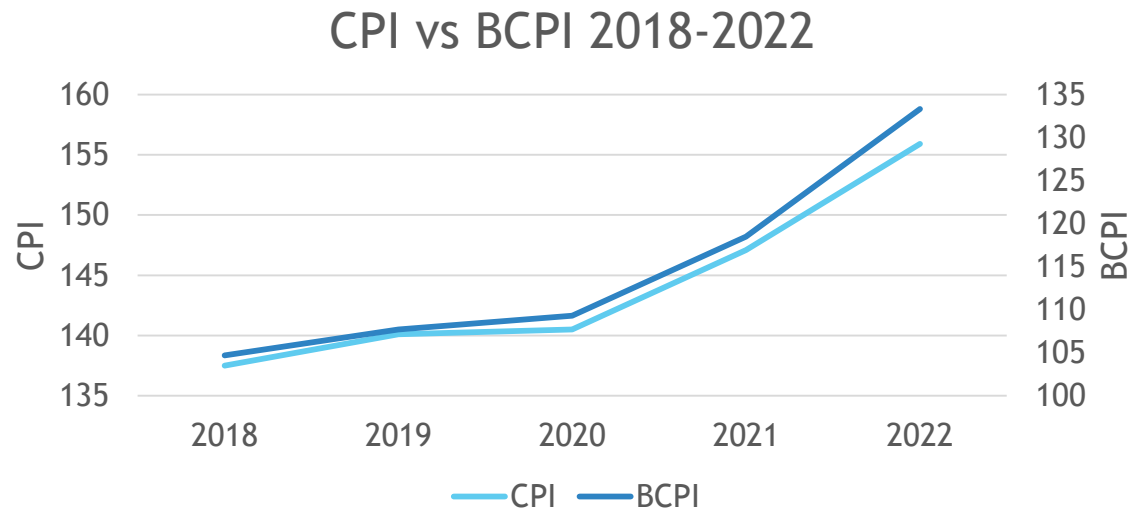
Average Income

- ▶ 2020 average total income is 51,750 versus 44,000 in 2015, increase of 17.6%
- Durham experienced increase of 15.8%
- Scugog experienced increase of 16.1%
- Uxbridge experienced increase of 19.6%



Inflationary Pressures

- ▶ Consumer price index has been increasing over the past two years, putting additional pressures on households and the Township.
- ▶ Non-residential building construction price index has also risen considerably. This places additional pressures on the township to increase taxes in order to pay for services and build additional infrastructure.



Interest Rates

- ▶ Interest rates have increased significantly over the past year, as illustrated in the table below
- ▶ Interest rate increases will result in increased investment revenues to be recycled through the Township to combat pricing increases as a result of CPI and BCPI increases

Interest Rates	2022		Inc/(Dec)
	Q1	Q4	
T-Bill Rate - 3 Month	0.60%	4.23%	3.63%
Government Bond Yield - 2 Year	2.27%	4.06%	1.79%
Government Bond Yield - 5 Year	2.39%	3.41%	1.02%
Government Bond Yield - 10 Year	2.40%	3.30%	0.90%
Government Bond Yield - 30 Year	2.38%	3.27%	0.89%

Links

▶ Brock Township 2021 Census Data:

- <https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?Lang=E&SearchText=Brock&DGUIDlist=2021A00053518039&GENDERlist=1,2,3&STATISTIClist=1&HEADERlist=0>

▶ Brock Township 2016 Census Data:

- <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/Page.cfm?Lang=E&Geo1=CSD&Code1=3518039&Geo2=POPC&Code2=1576&Data=Count&SearchText=Cedar&SearchType=Begins&SearchPR=01&B1=All>

▶ Consumer Price Index Data:

- <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1810000401>

▶ Non-Residential Building Construction Price Index Data:

- <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1810013502>



PROPERTY TAXES

Crystal Doucette, Accounting Manager

2023 BUDGET

How Taxes are Calculated Based on Assessments

- ▶ To get a better understanding of how properties are taxed based on assessment let's watch a quick video :
- ▶ https://www.youtube.com/watch?v=xgGbLotF_QQ&ab_channel=MunicipalPropertyAssessmentCorporation
- ▶ All properties in Ontario are assessed by MPAC (Municipal Property Assessment Corporation).



MUNICIPAL
PROPERTY
ASSESSMENT
CORPORATION

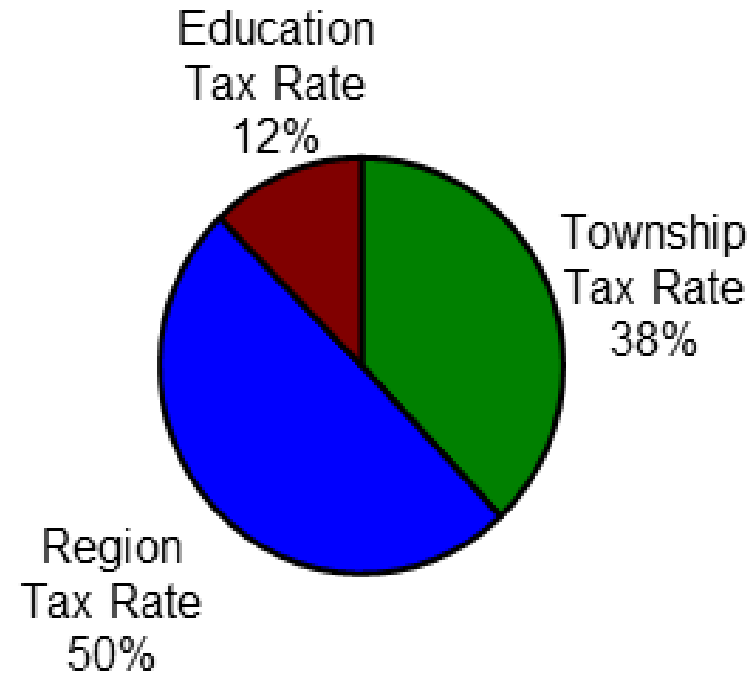
Two Tier Municipal Taxes

- ▶ Property Taxes are collected In Brock Township as a lower tier Municipality we are responsible for the billing and collection of the Municipal level taxes, the Regional level taxes and the School Support taxes.
- ▶ Municipal taxes pay for such things as Municipal roads, snowplowing, arenas, where as, Regional taxes pay for services such as Police, Garbage and Transit just to name a few. The School Board taxes pay to operate the schools regulated by our 4 school boards.
- ▶ Region of Durham tax levy - due to the Region within 7 days from our tax due date regardless of whether they have been paid by the residents or not.
- ▶ School Boards tax levies - due in four quarterly payments in March, June, September and December regardless of whether the residents have paid or not.
- ▶ Township of Brock completes 2 billings per year
 - January - Due Dates in February and April
 - June - Due Dates in July and September

Percentage of Property Tax Retained in Brock Township

2022 Residential Taxes

- ▶ Using the 2022 Residential tax rate:
- ▶ Brock retains only 38% of the taxes collected to fund the operations and capital expenditures for the Municipality
- ▶ 50% of the taxes collected are remitted to the Region of Durham
- ▶ 12% of the taxes collected are remitted to the school boards to fund the schools. These funds are allocated to each school board based on the pooling ratios provided by MPAC.



Tax Bills Issued

- There are over 6000 tax rolls billed twice annually
- Many properties have more than one tax class and therefore receive one bill with multiple tax classes billed separately
- These billings are all printed/prepared and mailed internally by Brock staff

Tax Bill Class	2022 Count	2022 Amount
Residential	5741	\$8,332,924
Commercial	254	\$564,571
Industrial	47	\$217,892
Farm	808	\$377,251
Multi-Residential	24	\$186,037
Managed Forest	67	\$9,771

Seniors Rebate

- The Township of Brock has offered a Seniors Tax Rebate since 2012.
- Each year the rebate is increased to match the consumer price index
- We have seen a 30% increase in the number of applicants this past year.
- 2023 Rebate will be \$360

Year	# of Applicants
2022	102
2021	78
2020	82
2019	71

Assessment Growth in Brock Township

2023	1.32%
2022	3.06%
2021	4.35%
2020	2.15%
2019	3.78%
2018	1.42%

Supplementary Taxes

Supplementary billings might be issued for:

New Unit or New Building/Previously Omitted Realty Assessment

A bill is created for the new building assessment only and is effective the first day of occupancy.

An example of this would be the homes built in a new subdivision.

Improvement to Property

If an addition to a house is made or any improvement to the property, a bill is created for the additional assessment value related to that addition or improvement.

An example of this would be if a new garage was built on a property.

Coding Change

Assessment Class change - some or all of the assessment changes to another class with a different tax rate

A supplementary bill can be issued for 2 years plus the current

Supplementary Taxes

- Over the past five years Brock has been fortunate to have had 2 large subdivisions built which have added additional assessment to our base.
- Although further development is underway in 2022 Brock had very few occupied and supplementary billed and we anticipate the same for 2023

- * Projected 2023 amount

Supplementary Taxes	Year
\$60,000 *	2023
\$66,500	2022
\$287,500	2021
\$283,300	2020
\$145,800	2019
\$247,200	2018

Tax Write-Offs

Some examples of a property that could have a tax write off :

- A property might have a returned roll of full residential assessment but should have had partial farm. We write off the incorrect residential taxes and supplementary bill the farm taxes to make the correction when authorized by MPAC.
- A property might have filed a 357 Application to reduce taxes for the demolition of a building or one that was lost to fire.
- The returned roll was received with one assessed value and then reduced by MPAC with a Minutes of Settlement or an ARB decision - value disputed

Tax Write-Offs	Year
\$28,500	2022
\$35,400	2021
\$26,350	2020
\$38,200	2019
\$81,600	2018

*Net write off amounts listed in chart

Taxes Billed vs. Taxes Collected

- The 2022 the total levy amount was \$26,376,821.79 (all 3 levying bodies- Municipal/Regional/Education)
- Of the total levied taxes approx. 93% was collected
- As legislated in the Municipal Act past due taxes are charged 1.25% penalty on current year taxes and 1.25% interest on previous years taxes until paid in full.
- Brock retains all the penalty/interest revenue that is charged on outstanding balances.

Outstanding Taxes and Penalties	Year
\$1,662,896	2022
\$ 670,960	2021
\$ 162,078	2020
\$ 79,724	2019
\$ 2,575,658	Total

* These balances include all Municipal, Regional and Education balances.

Property Tax Sales

- ▶ Properties that have fallen into 3 years arrears or more and have not established a payment plan with Finance will have an arrears certificate registered on title in the first quarter of the year.
- ▶ Provincial legislation allows the Township of Brock to recover the detailed arrears, together with interest and all associated costs, by the registration of a Tax Arrears Certificate pursuant to the Municipal Act, 2001. Failure to pay the Cancellation price defined in Section 371 of the Act within one year of the registration of the Certificate will result in the property being advertised for public sale.
- ▶ Once a Tax Arrears Certificate has been registered on title only full payment can be made.
- ▶ Brock currently has 5 properties that had Tax Arrears Certificates expire in 2022 and will be advertised for public sale in March unless paid in full.
- ▶ Brock has 2 properties currently being registered on title and another 35 properties being sent for registration this quarter.

Collections Performed Through the Tax Roll

- ▶ Items that under the Municipal and other Acts allow for us to add them to the tax roll and collect them in the same manner as municipal taxes.
- ▶ User fees established under the Township Bylaw
- ▶ Property Standard Orders
- ▶ Fire department fees (Fire protection & prevention Act)
- ▶ WSIB
- ▶ Water & Sewer arrears for the Region of Durham
- ▶ These funds are added to the tax roll and then collected in the same manner as taxes, being charged the 1.25% penalty/interest and they hold priority lien status allowing for them to be collected through the tax sale process. Our current outstanding taxes include \$100,000.00 in other items added.

Payment Methods Offered

- ▶ Payments can be made at the Municipal Office with (Cheque, Debit, Cash)
 - ▶ (staff process approx. 400-500 postdated cheques on due dates)
- ▶ A drop box for after hours located at the Municipal Office
- ▶ Payments can also be made at most Financial Institutions
- ▶ Telephone/Internet Banking (this option has increased substantially since 2020)
- ▶ Online Credit Card payment - PlastiQ (3rd party) a fee is charged from the 3rd party
 - ▶ (This option is not used very often)
- ▶ By mail
- ▶ Billed to mortgage company who pay on behalf of residents
 - (approx. 1300 tax rolls paid this way)
- ▶ Pre-authorized payment Plans (Monthly/Due Date/Arrears Plans-automatic withdrawals)

The monthly plan is designed to equalize annual tax amounts over 11 payments for easier budgeting.

The due date plan is designed to pay the full amount of what is billed 4 times per year.

The arrears plan is designed so that anyone whose tax account is in arrears can pay a monthly amount that helps to pay down their outstanding balance. These accounts still accumulate interest/penalty.

Plan	Count	Increase
Monthly PAP	1100	16%
Due Date Plan	230	4%
Arrears Plan	22	20%



2023 BUDGET



Operating Budget

Lisa Chen, Director of Finance and Treasurer

2023
BUDGET

2023 Operating Budget By Department

Township of Brock Department	2023 Draft Budget	2022 Budget	Increase (Decrease)	Tax%
Taxation	(10,575,000)	(10,351,191)	(223,809)	-2.3%
Corporate	(805,400)	(988,400)	183,000	1.9%
Office of the CAO	397,100	393,600	3,500	0.0%
Information Technology	270,800	270,100	700	0.0%
Treasury	923,000	944,800	(21,800)	-0.2%
Council	303,200	288,200	15,000	0.2%
Clerks	791,700	704,800	86,900	0.9%
By-Law and Animal Services	446,650	444,900	1,750	0.0%
Traffic Control	90,200	80,600	9,600	0.1%
Development Services - Planning	109,850	47,800	62,050	0.6%
Development Services - Building	-	-	-	0.0%
Fire and Emergency Services	1,323,200	1,302,100	21,100	0.2%
Parks and Recreation	1,664,400	1,661,100	3,300	0.0%
Public Buildings	479,700	451,200	28,500	0.3%
Health Centres and Cemeteries	18,500	20,900	(2,400)	0.0%
Public Works - Roads	3,693,000	3,493,200	199,800	2.0%
Public Works - Other Transportation	538,100	532,000	6,100	0.1%
Public Works - Refuse Collection	58,000	56,300	1,700	0.0%
	(273,000)	(647,991)	374,991	3.8%

2023 Operating Budget By Department

Municipal Grants	2023 Draft Budget	2022 Budget	Increase (Decrease)	Tax%
Free Use of Township Assets	6,700	6,700	-	0.0%
Brock Township Public Libraries	774,326	725,291	49,035	0.5%
Library Rate Stabilization	-	(70,000)	70,000	0.7%
Library, Parks and Recreation DC	(14,000)	(14,000)	-	0.0%
	<u>760,326</u>	<u>641,291</u>	<u>119,035</u>	<u>1.2%</u>
			-	0.0%
	<u>767,026</u>	<u>647,991</u>	<u>119,035</u>	<u>1.2%</u>
Net Operating Budget - Consolidated				
	<u>494,026</u>	<u>-</u>	<u>494,026</u>	<u>5.0%</u>

2023 Operating Budget By Revenues

Revenues	2023 Draft Budget	2022 Budget	Increase (Decrease)	Tax%
Property Taxes	10,215,000	10,026,191	188,809	1.9%
Grants	1,070,000	1,457,926	(387,926)	-3.9%
User Fees, Permits and Charges	1,529,400	1,212,200	317,200	3.2%
Interest and Investments	480,000	375,000	105,000	1.1%
Contributions from Reserve Funds	496,000	869,800	(373,800)	-3.8%
To Be Determined	494,026		494,026	5.0%
	14,284,426	13,941,117	343,309	3.5%

2023 Operating Budget By Expenditures

Expenditures	2023 Draft Budget	2022 Budget	Increase (Decrease)	Tax%
Personnel	6,539,500	6,119,700	419,800	4.3%
Administration	480,250	480,800	(550)	0.0%
Professional Services	577,200	670,000	(92,800)	-0.9%
Repairs and Maintenance	1,816,900	1,600,700	216,200	2.2%
Materials and Supplies	1,518,050	1,374,400	143,650	1.5%
Finance Charges	168,400	140,926	27,474	0.3%
Grants and Special Programs	1,048,026	1,097,991	(49,965)	-0.5%
Contributions to Reserve Funds	2,136,100	2,456,600	(320,500)	-3.3%
	14,284,426	13,941,117	343,309	3.5%

2023 Operating Budget - Revenues

- ▶ Property Tax - \$223,800
 - Assessment Growth - \$128,900
 - Supplementary Taxes - \$60,000
 - Tax Penalties and Interest - \$35,000
 - Property Tax Rate increase - TBD, current budget shortfall is \$494,000
 - 1% Tax Rate Increase is equivalent to \$98,520 of additional property tax revenue
 - Seniors Tax Rebate program - \$10,000 additional expense budget
- ▶ Investment Income - \$90,000
 - Bank Interest - \$70,000
 - Hydro Proceeds Reserve Fund Interest used towards mitigating tax pressures in Public Works operations - \$20,000

2023 Operating Budget - Revenues

- ▶ User Fee By-Law - indexing and higher demand
 - Arena Ice Rentals - \$24,900
 - Day Camp / Before and After Care - \$32,300
 - Recreation Programs - \$5,000
 - Marriage Licenses, Parking and By-Law - \$11,800
 - Road Occupancy Permits - \$15,000
- ▶ Leases inflation - \$9,900
- ▶ Budget adjustment to reflect actuals
 - Planning and Committee of Adjustment Fees
 - Beaverton Town Hall
- ▶ Fire Marquee Grants - \$4,000
- ▶ Building Permits (funded separately from Taxes)- \$250,000

2023 Operating Budget - Personnel

Full-Time Complement

Full - Time Complement by Department	2023 Draft Budget	2022 Budget	Increase (Decrease)
Office of the CAO	1.00	2.00	(1.00)
Treasury	6.00	6.00	-
Clerks	6.00	4.50	1.50
By-Law and Animal Services	3.00	3.00	-
Development Services - Planning	1.00	1.00	-
Development Services - Building	3.00	3.00	-
Fire and Emergency Services	2.00	2.00	-
Parks and Recreation	9.00	9.00	-
Public Works	18.00	17.00	1.00
	49.00	47.50	1.50
Brock Township Public Libraries	1.00	1.00	-
	50.00	48.50	1.50

Note: excludes contract or seasonal staff

2023 Operating Budget - Personnel

- ▶ Personnel Budget Pressure - \$448,000
- ▶ Labour Negotiations (closed session)
 - \$212,300 for Council, CUPE and inside staff agreements, includes cost of living adjustments, salary grid progression and market adjustments
- ▶ 2023 Staffing Requests
 - Staffing Request for Clerk's Department (closed session)
 - Reduce CAO Administrative Assistant to part-time - \$33,400
 - Contract Planning Technician, July 1 start - \$39,400 Tax Rate Stabilization funded
 - Full-Time CUPE Labourer, July 1 start - \$34,200
 - Communications Coordinator, one time contract to recurring contract - \$53,600
- ▶ 2022 Staffing Requests - annualized for 12 months
 - Mechanic (includes proposed wage adjustment - \$48,600
 - Tax Collector and Senior Financial Analyst - \$39,400
- ▶ Legislated
 - \$14,100 - OMERS for "Other than Continuous Full-Time" staff
 - \$4,900 - Minimum Wage and Related Adjustments

Closed Session

2023 Operating Budget - New Initiatives

- ▶ Invasive Species Management - \$7,500
- ▶ Payroll Modernization Subscription Fees - \$20,000
- ▶ Bank Charges for transition to online facility rentals - \$8,000
- ▶ Cloud Permit and new licenses - \$17,000 Building Fee Reserve funded
- ▶ Non-Recurring Items - Tax Rate Stabilization Reserve Funded
 - Asset Retirement Obligations, new financial reporting standards - \$15,000
 - Ash Tree Removal and Study - \$25,000
 - Road Rehabilitation, return 7km Double Surface Treatment road to Gravel - \$10,000
 - Street Calming Initiatives - \$50,000
 - Fire Certification Training - Year 1 of 4, \$20,000 per year
 - Community Risk Assessment - \$16,000
 - New Council Conferences and Training - \$7,000
 - Insurance Premium increase - \$25,000

2023 Operating Budget - Budget Expenditures

- ▶ Expenditure Pressures to provide existing service levels
 - Road Side Maintenance
 - Bridges and Culverts
 - Loosetop Maintenance
 - Hardtop Maintenance
 - Fire Services Protective Clothing and Uniforms
 - Park Maintenance - Vehicle, Equipment, Materials

2023 Operating Budget - Prior Year's Non-Recurring Items

- ▶ Removal of Non-Recurring Items - \$40,400 favourable budget impact
- ▶ Safe Restart Funding (\$72,000) depleted in 2022, partially replaced by Tax Rate Stabilization Reserve (\$15,000)
- ▶ Brock Community Health Centre (2022) - \$25,000 donation funded from Tax Rate Stabilization Reserve (TRSR)
- ▶ Streetlight Consulting (2022) - \$10,000 funded from TRSR
- ▶ Elections (2022) - \$70,000 funded from Elections Reserve
- ▶ Reallocated to Capital Budget - \$369,300 funding and transfer to Canada Community Building Fund
- ▶ Treasurer Overlap (2022) - \$41,900 funded from TRSR
- ▶ Not-For-Profit Committee (2022) - \$5,000
- ▶ Harbour Students Social Distancing Enforcement (2021) - \$17,400
- ▶ Beaverton Harbour Reserve Fund Contribution (2022) - 50,000



2023 BUDGET