



Virtual Public Meeting

February 13, 2023 at 6PM

Lisa Chen, Director of Finance and Treasurer

2023 BUDGET

Agenda

- ▶ Budget Process
- ▶ Budget Impacts
- ▶ Township and Regional Services
- ▶ 2022 Township of Brock - Property Tax Distribution
- ▶ 2023 Draft Operating Budget
- ▶ 2023 Budget Impact to Average Assessed Residential Property
- ▶ Investments for Future Infrastructure Renewal
- ▶ 2023 Capital Budget
- ▶ 2024 Outlook
- ▶ Next Steps and Questions

Budget Process



Strategic Planning and Integration into an Annual Workplan



Capital Planning

- Asset Management Strategies
- Ten-Year Capital Forecast
- Capital Budget



Operational Planning

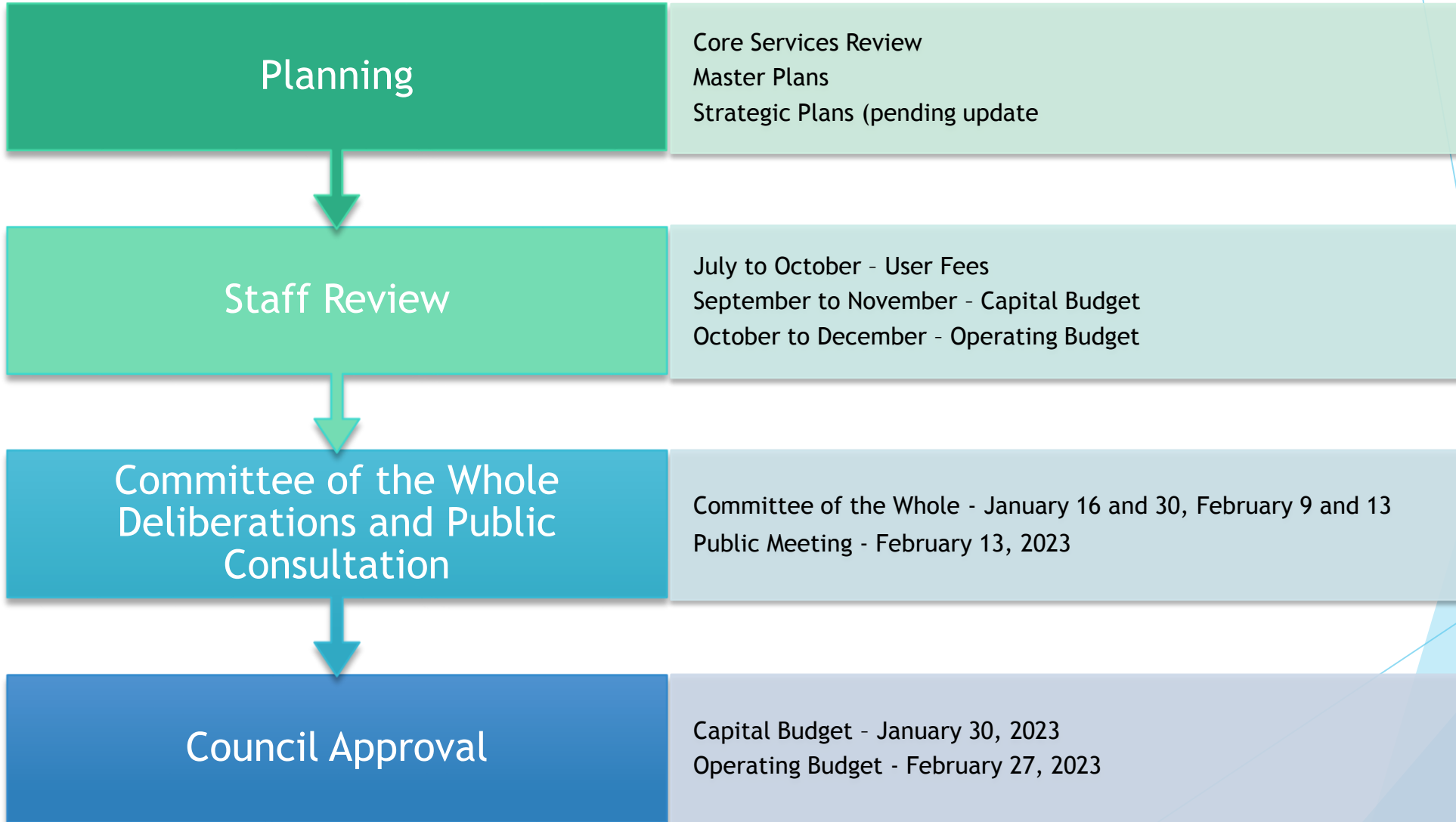
Service Levels
Resource Planning
Revenue generation and operational efficiencies



Monitor, Forecast and Report

Evaluate Qualitative and Quantitative Performance Measures
Mitigating actions
Assess future impact

Budget Process - 2023 Budget Schedule

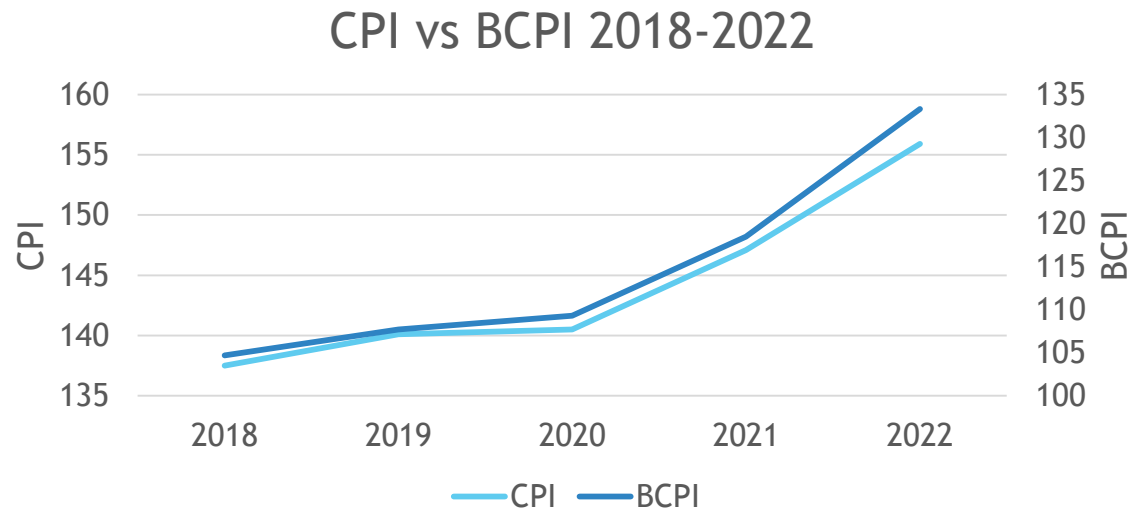


Budget Impacts

- ▶ Economic Indicators
- ▶ Legislation
- ▶ Council Approved Service Levels
 - Based on plans and policies that factor community needs
 - Maintain, Enhance, Decrease or Discontinue services
 - In-house or outsourcing
 - Business process design
 - Technology and Modernization
- ▶ Funding Strategies

Budget Impacts - Economic Indicators

- ▶ 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.



Budget Impacts - 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%

Budget Impacts - Legislation

- ▶ Asset Management Planning for Municipal Infrastructure Ontario Regulation 588/17
- ▶ Bill 23, More Homes Built Faster Act, 2022
- ▶ Employment Standards Act, minimum wage increases every October, based on the Consumer Price Index
- ▶ OMERs for Casual Staff
- ▶ Municipal Act and Assessment Act

Budget Impacts - Council Approved Service Levels

- ▶ Budget is aligned with approved plans and policies that factor community needs
- ▶ A number of key plans and policies are underway that will impact policy decisions on maintaining, enhancing, discontinuing services
- ▶ 2023 Budget emphasizes maintaining same service levels and review changes for 2024 and future implementation upon completion:
 - Core Services Review
 - Recreation Master Plan
 - Strategic Plan
 - Asset Management Plan
 - Development Charges By-Law Study
 - Development Services Review and Fee Study
- ▶ Other staff proposed options may also impact the budget:
 - In-house or outsourcing, business process design and technology modernization

Budget Impacts - Funding Strategies

- ▶ User Fee
 - Fee recovery - 3% increase for 2023, indexed to inflation for 2024 and the future
 - Free Use and Community User Group Grants - policy to be reviewed in 2023 for 2024 implementation
- ▶ Grants allocation policy for amounts received from upper levels of government
- ▶ Investment Strategies - review investment policy update in 2023
- ▶ Debt Management - 2023 includes pay back of Fire Station, 2024 potential debt for Sunderland Arena Project
- ▶ Reserve and Reserve Fund Policies - contributions to capital infrastructure reserves, use of tax rate stabilization reserves
- ▶ Property Taxation rates

Township and Regional Services

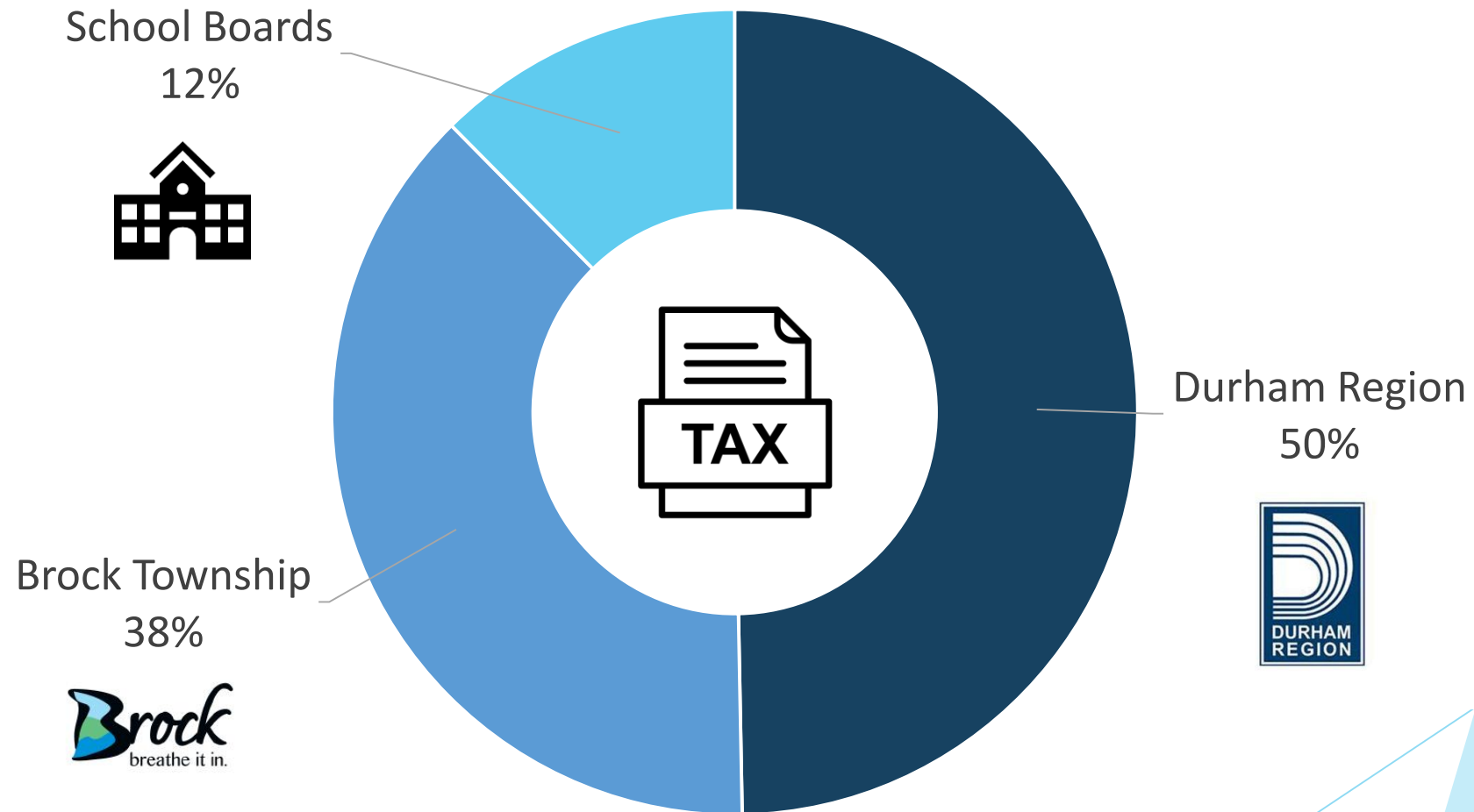
Township of Brock

- ▶ Municipal Roads and Bridges
- ▶ Fire and Emergency services
- ▶ Parks and Recreation
- ▶ Public Buildings
- ▶ By-Law Enforcement
- ▶ Animal Services
- ▶ Traffic Control
- ▶ Licenses
- ▶ Development Services
- ▶ Health Centres and Cemeteries
- ▶ Infrastructure Renewal

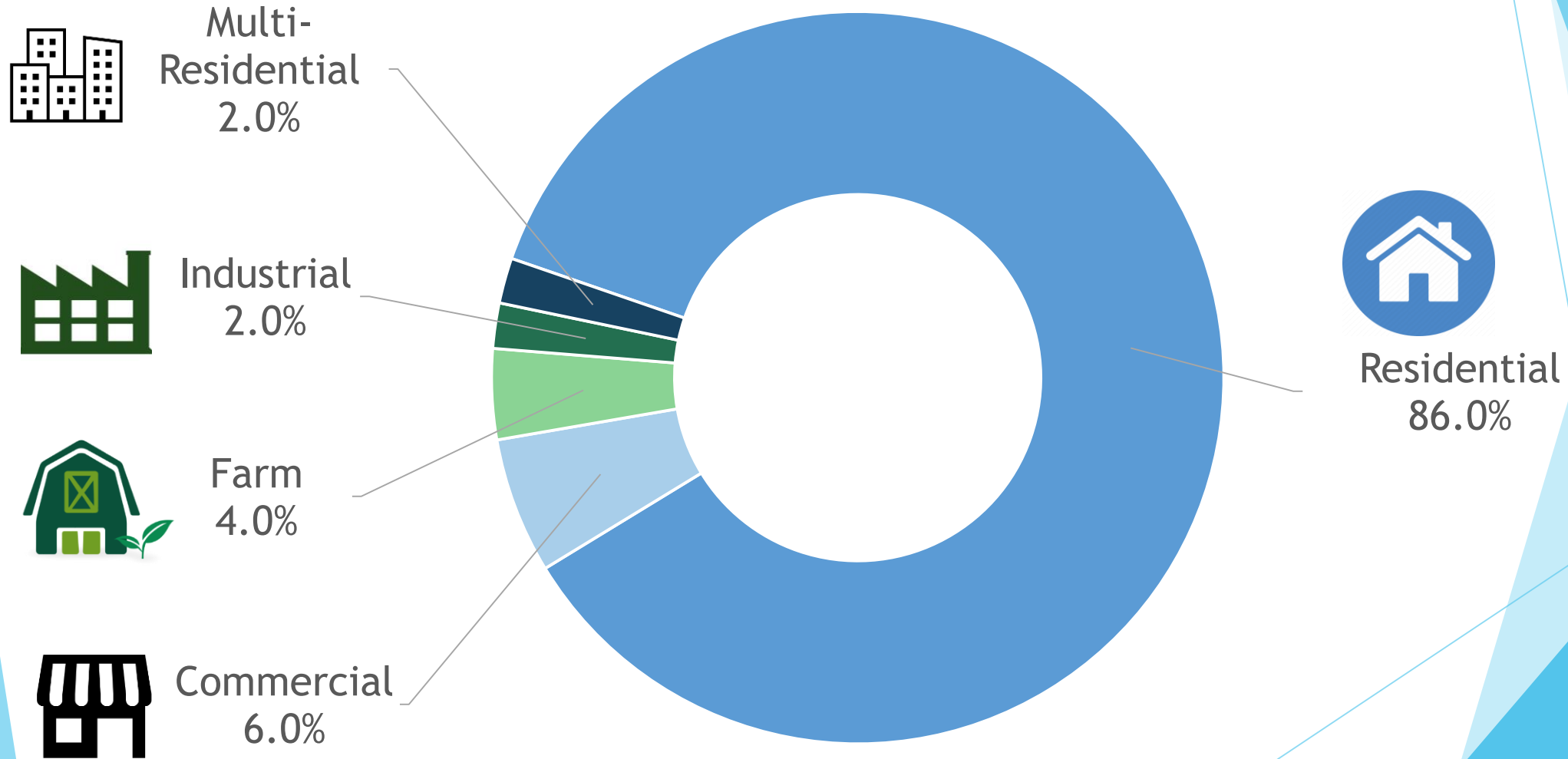
Region of Durham

- ▶ Durham Regional Police Services
- ▶ Social Services
- ▶ Regional Roads and Bridges
- ▶ Durham Region Transit
- ▶ Planning and Economic Development
- ▶ Solid Waste Management
- ▶ Region of Durham Paramedic Services
- ▶ External Agencies
- ▶ Public Health
- ▶ Infrastructure Renewal
- ▶ Water and Wastewater through user fees











2022 Township of Brock - Property Tax Distribution



2022 Township of Brock - Property Tax Distribution












2023 Draft Operating Budget By Department

Department	% of Tax Bill	Monthly Tax Bill	2023 Draft Budget	2022 Budget	Increase (Decrease)
 Public Works	40.1%	\$ 51.56	\$4,289,100	\$4,081,500	\$207,600
 Parks and Recreation	15.5%	20.01	1,664,400	1,661,100	3,300
 General Government	14.2%	18.28	1,520,400	1,288,100	232,300
 Fire and Emergency Services	12.4%	15.91	1,323,200	1,302,100	21,100
 Library Services	7.1%	9.14	760,326	641,291	119,035
 Public Buildings	4.5%	5.77	479,700	451,200	28,500
 By-Law and Animal Services	5.0%	6.45	536,850	525,500	11,350
 Development Services	1.0%	1.32	109,850	47,800	62,050
 Health Centres and Cemeteries	0.2%	0.22	18,500	20,900	-2,400
 Grants to Community Groups	0.1%	0.08	6,700	6,700	0

The monthly tax bill for an average residential property assessed at \$314,900 is \$128.74

2023 Draft Operating Budget - Expenditures

Expenditure	%	2023 Draft Budget	2022 Budget	Increase (Decrease)
 Personnel	46%	\$6,539,500	\$6,119,700	\$419,800
 Repairs and Maintenance	13%	1,816,900	1,600,700	216,200
 Materials and Supplies	11%	1,518,050	1,374,400	143,650
 Municipal Grants and Programs	7%	1,048,026	1,097,991	(49,965)
 Professional Services	4%	577,200	670,000	(92,800)
 Administration	3%	480,250	480,800	(550)
 Reserve and Reserve Funds	2%	228,800	130,000	98,800
 Finance Charges	1%	168,400	140,926	27,474
 Investments for Future Infrastructure Renewal	13%	1,907,300	2,586,600	(419,300)
Total Expenditures	100%	\$14,284,426	\$13,941,117	\$343,309

2023 Draft Operating Budget - Revenues



Revenues	%	2023 Draft Budget	2022 Budget	Increase (Decrease)
Property Taxes	72%	\$10,215,000	\$10,026,191	\$188,809
User Fees, Permits and Service Charges	11%	1,529,400	1,212,200	317,200
Grants	7%	1,070,000	1,457,926	(387,926)
Reserve and Reserve Funds	3%	496,000	869,800	(373,800)
Interest and Investments	3%	480,000	375,000	105,000
Sub-Total	97%	\$13,790,400	\$13,941,117	\$(150,717)
Budget Shortfall - TBD	3%	494,026	-	494,026
Total Revenues	100%	\$14,284,426	\$13,941,117	\$343,309

2023 Operating Budget - Personnel



- ▶ 2023 Staffing Requests
 - Staffing Request for Clerk's Department
 - Contract Planning Technician, July 1 start
 - Full-Time CUPE Labourer, July 1 start
 - Communications Coordinator, one time contract to recurring contract
- ▶ 2022 Staffing Requests - annualized for 12 months
 - Mechanic
 - Tax Collector and Senior Financial Analyst
- ▶ Collective agreements
- ▶ Legislated minimum wage and OMERS for casual staff

2023 Draft Operating Budget



Community Safety

Street Calming
Initiatives
Ash Tree Removal
and Invasive
Species
Management
Fire Certification
Training



Community Programs

Before and After
Camp Care
Recreation
Programs
Seniors Tax Rebate
Resources to
Support Growth



Investments for Future Infrastructure Renewal

Contributions to
Capital Reserve
Funds
Asset Management
Plan and Systems



Modernization

Online Facility
Rentals and
Expand Payment
Options
On-line Building
Permit
Applications
Streamlined
Payroll System

2023 Budget Impact to Average Assessed Residential Property Valued at \$314,900

The average residential property is assessed at \$314,900 - 2022 Tax Bill was \$3,881.20

- Potential tax bill impact on Brock Township portion at various property tax rate increases
- Region of Durham rates will be approved in March 2023 - used Regional Council's 5% guideline for illustrative purposes
- Education portion assumes no increase, pending Provincial approval

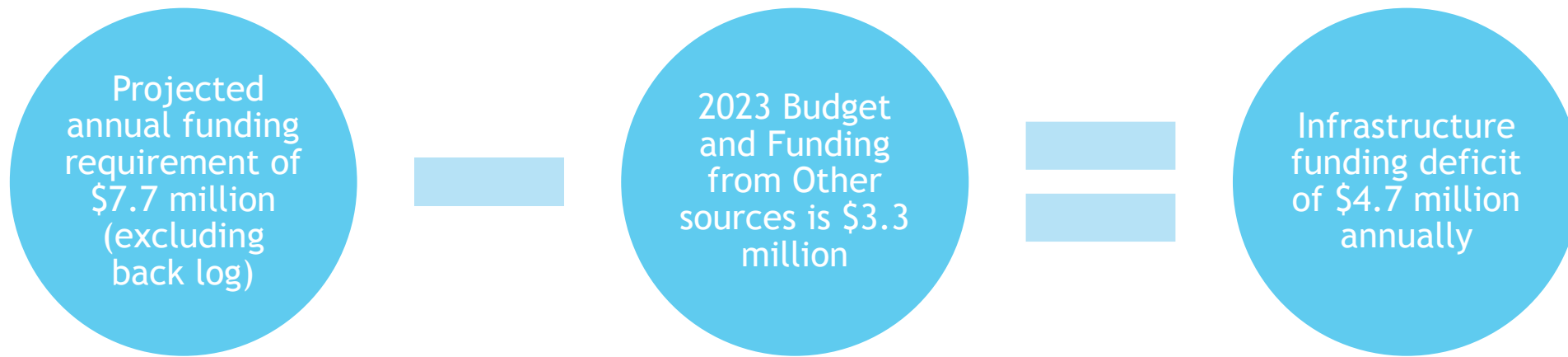
Tax Bill	2022	0.5%	1.0%	2.0%	3.0%	4.0%	5.0%
Region	\$1,928.09	\$96.40	\$96.40	\$96.40	\$96.40	\$96.40	\$96.40
Brock	1,471.31	7.36	14.71	29.43	44.14	58.85	73.57
Education	481.80	-	-	-	-	-	-
Total Tax Bill	\$3,881.20	\$103.76	\$111.12	\$125.83	\$140.54	\$155.26	\$169.97

Investments for Future Infrastructure Renewal

Asset Category	Replacement Value - 2019	Annual Funding - Projected	2023 Funding - Budget	Funding from Other Sources	Annual Funding Allocation	Annual Funding Shortfall
Roads, Sidewalks and Pathways	\$212,468,806	\$5,316,600	\$978,300	\$726,000	\$1,704,300	\$(3,612,300)
Buildings	58,704,781	783,300	490,000	192,500	682,500	(100,800)
Bridges and Culverts	42,851,690	338,400	55,000	-	55,000	(283,400)
Vehicles, Machinery and Furnishings	10,842,069	861,500	344,000	492,500	836,500	(25,000)
Land Improvements	6,834,401	342,600	40,000	-	40,000	(302,600)
Stormwater Infrastructure	3,560,009	47,500	-	-	-	(47,500)
Total	\$335,261,758	\$7,689,900	\$1,907,300	\$1,411,000	\$3,318,300	\$(4,371,600)

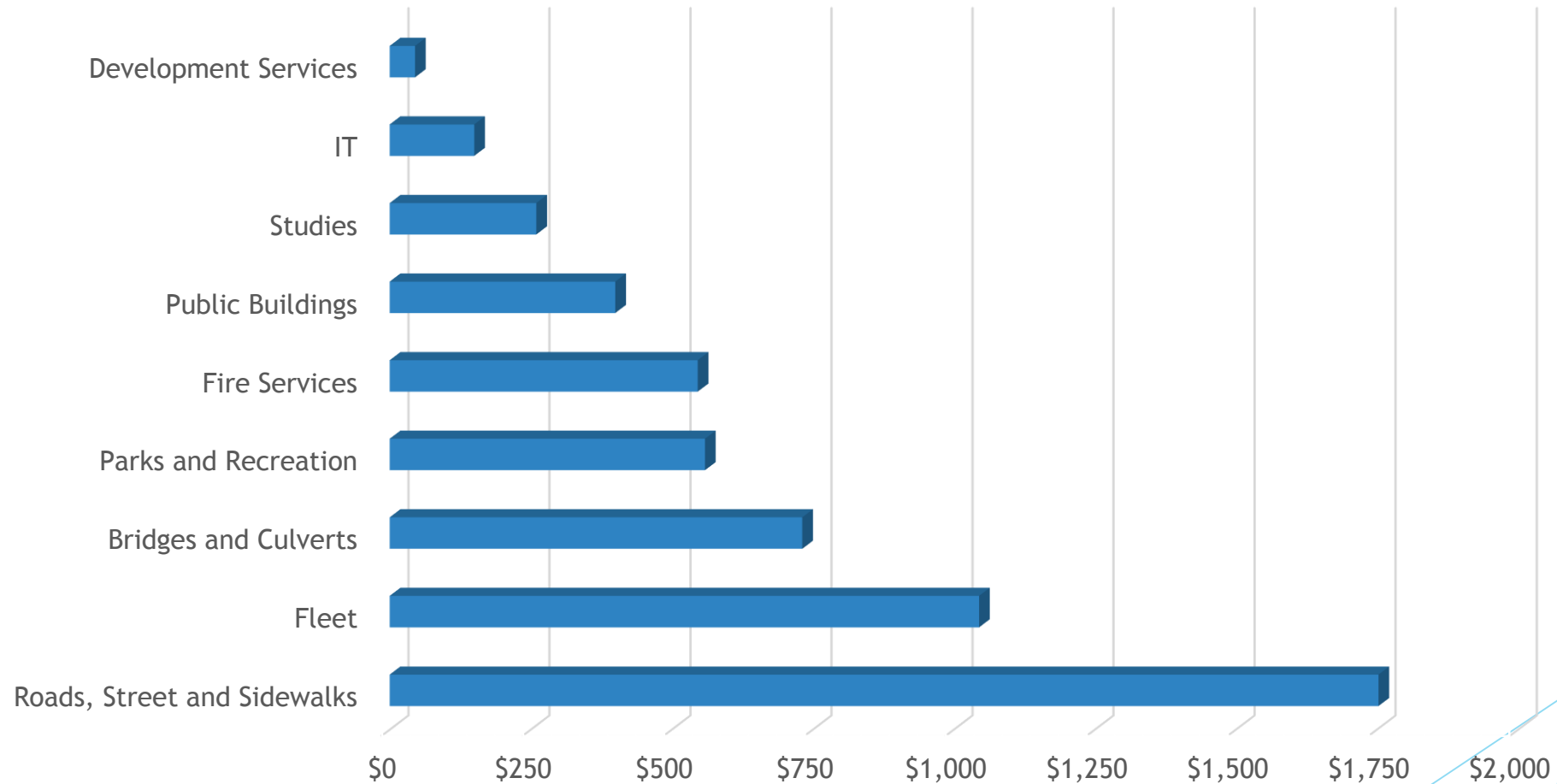
Investments for Future Infrastructure Renewal

Projected Asset Renewal Value estimated at \$335.2 million (2019) - future asset management funding policy discussion



2023 Approved Capital Budget is \$5,489,700

2023 Capital Budget - Priorities in \$ thousands



2023 Capital Budget Projects - \$5,489,700



Roads, Streets and Sidewalks \$1.753M



Fleet \$1.045M



Bridges and Culverts \$731,500



Parks and Recreation \$559,000



Fire Services \$546,200



Public Buildings and Health Centre \$400,000

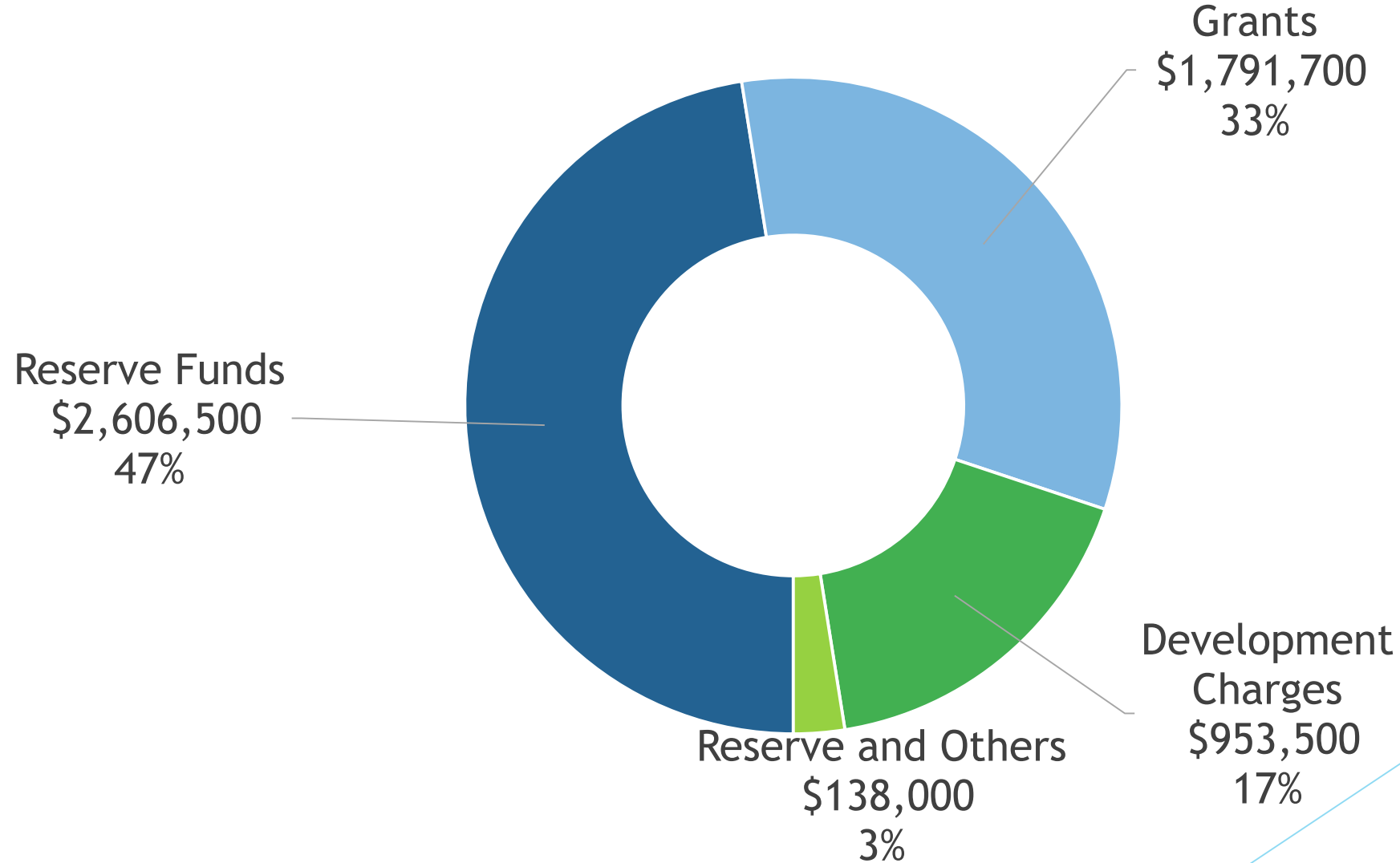


Studies and Plans \$305,000



Modernization \$150,000

2023 Capital Budget Funding - \$5,489,700



2024 Outlook

Strategic Plan
recommendations

Recreation Master Plan
recommendations

Asset Management Plan
funding
recommendations

Interim financing for
Sunderland Arena
project (2024 to 2027)

Use of Township
Facilities - Community
Groups and Free Use
Policy

Development Charges
By-Law Study Update
and Bill 23 financial
impact (estimated at
\$1M over the next ten-
years)

Official Plan Update
and Transition of
Planning functions from
Region to Brock

User Fee Indexing,
Planning and Building
Fee Studies

Core Services Review

Energy Demand
Conservation

Building Condition
Assessments

Performance
Measurements

Next Steps

- ▶ Feedback from the Public and Council
- ▶ Staff to present updated 2023 Operating Budget for Council deliberations and approval at the February 27, 2023 Council meeting



2023 BUDGET