

2023 Budget

Municipality of Tweed



Agenda

- Understanding Budgeting and Taxation
- Significant Impacts on 2023 Budgeting
- Taxation
- Budget Summary
- Capital Projects
- Reserves and Reserve Funds

Understanding Budgeting and Taxation

How Municipal Budgets Work

- [https://youtu.be/UG6aksviyF
c](https://youtu.be/UG6aksviyFc)

How Property Tax is Calculated

- [https://youtu.be/nrWry5i3T
BU](https://youtu.be/nrWry5i3TBU)

2023 Significant Costs

\$ 4,625,635	Total proposed tax levy for 2023
\$ (481,662)	2023 Insurance
\$ (395,118)	2023 Gas, Fuel, and Diesel costs
\$(1,014,658)	2023 OPP Policing costs
\$ (165,000)	2023 Joint Fire Services costs
\$ (30,000)	2023 By-Law Enforcement Services costs
\$ (82,594)	2023 Conservation Authority costs
\$ (275,000)	2023 Sanding and Salting costs
\$ (160,000)	2023 Contracted Winter Maintenance costs
\$ (287,927)	2023 Vehicle and Equipment Maintenance costs
\$ (117,477)	2023 Recycling Fees
<u>\$ (163,933)</u>	2023 Library costs
\$ 1,452,266	All other remaining services

Significant Impacts on 2023 Budgeting

Significant Rising Costs

- Insurance costs \$77,931 increase (1.80% tax levy increase)
- Gas, fuel & diesel costs \$133,818 increase (3.10% tax levy increase)
- Total increases for above two factors 4.90%

Overall tax levy increase

- Proposed overall tax levy increase of \$305,438.32 (7.07%)
- \$211,749 of the increase documented to the left (4.90%)
- Remaining tax levy increase \$93,689.32 (2.17%)

Other Significant Impacts on 2023 Budgeting

Vehicles & Equipment Costs in 2022 for Maintenance

- Fire vehicles - \$19,461.38
- Roads vehicles/equipment - \$315,255.54
- Waste equipment - \$1,674.52
- Parks vehicles/equipment - \$32,142.05
- Arena equipment - \$2,573.23

Vehicles & Equipment Costs in 2023 for Maintenance

- Fire vehicles - \$34,427
- Roads vehicles/equipment - \$213,000
- Waste equipment - \$6,000
- Parks vehicles/equipment - \$29,500
- Arena equipment - \$5,000

Other
Significant
Impacts on
2023
Budgeting,
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**Vehicles & Equipment Costs
in 2022 for Maintenance**

- Total costs \$371,106.72
- 8.47% of total tax levy

**Vehicles & Equipment Costs
in 2023 for Maintenance**

- Total budget \$287,927
- 6.22% of total tax levy

Vehicles and Equipment Ages

- Fire:

- 17 years
- 14 years – 2 units
- 9 years
- 7 years
- 3 years

- Roads:

- 30 years
- 23 years
- 18 years
- 17 years
- 15 years
- 14 years
- 12 years
- 10 years
- 9 years
- 8 years – 2 units
- 7 years
- 5 years
- 4 years
- 2 years

- Parks

- 23 years
- 15 years
- 10 years
- 6 years

Significant Future Capital Impacts

- 2022 OSIM Bridge Inspection Reports indicate of the 52 bridges/large culvert structures, 32 require significant maintenance, rehabilitation or replacement within 10 years
- Projected costs of these 32 bridges/large culverts total \$26,952,400 in next 10 years
 - Averages \$2,695,240 per year or 57.47% tax levy increase over ten years
 - Equivalent to \$421 per \$100,000 of property assessment each year for 10 years
 - A property assessed at \$300,000 would experience \$1,263 extra in taxes per year for a total of \$12,630 over the 10 years
- Many other capital areas have similar concerns and impacts that were considered by Council

Taxation

Assessments Growth

2023 Assessments were held at the previous amounts by the Province for another year

2023 Assessment increase 0.874%

2023 - \$671,326,075

2022 - \$665,510,309

Difference \$5,815,766

Municipal Tax Levy

2023 Total Municipal Tax Levy - \$4,625,635.00

2022 Total Municipal Tax Levy - \$4,320,196.68

Increase of \$305,438.32

Approximate impact per \$100,000 of property assessment for the municipal portion only, in 2023, would be about \$41.22 for the year. For a property with an assessment of \$300,000, this would be \$123.66 for the year.

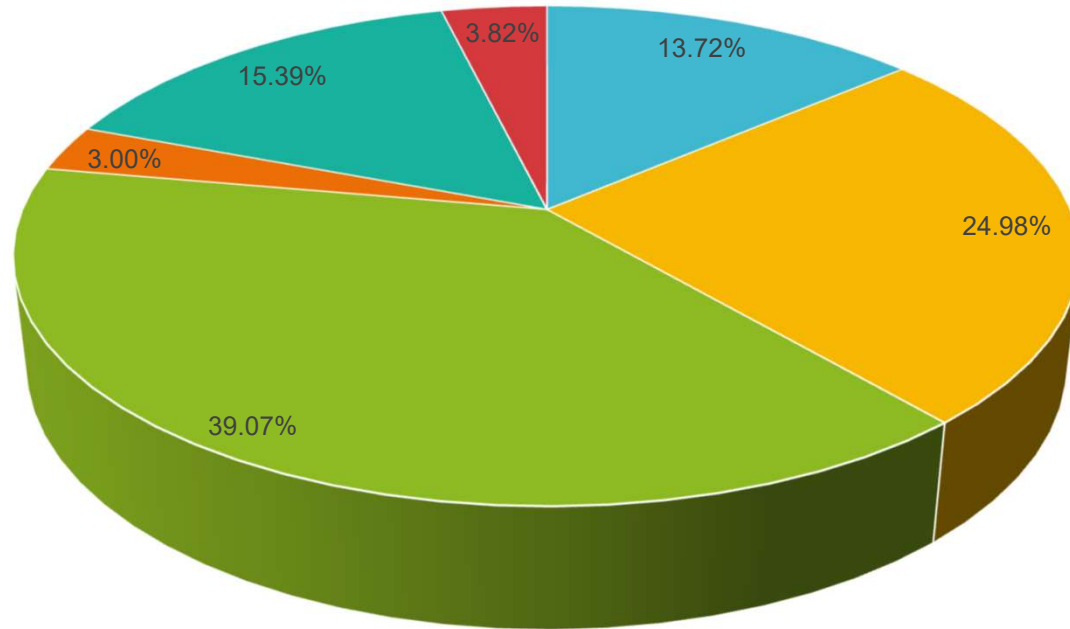
Municipal Tax Levy

For each \$1,000 collected in Municipal Taxes:

\$(544.53)	OMPF & General Reserve
\$ 211.96	Administration
\$ 136.11	Fire
\$ 220.54	Police
\$ 4.80	Animal Control
\$ 0.21	Livestock Valuation
\$ 6.36	By-Law Enforcement
\$ 17.86	Conservation
\$ 603.51	Roads
\$ 46.40	Waste Disposal
\$ 103.10	Parks
\$ 66.52	Arena
\$ 68.11	Other Recreation
\$ 56.64	Community Development
\$ 2.41	Rezoning & Minor Variance

Municipal Tax Levy

Tax Dollar by Function
(excluding OMPF & General Reserve)



- General Government
- Transportation Services
- Recreation Services
- Protection Services
- Environmental Services
- Planning Services

Special Charges on Tax Bill

Streetlights and Curbside Waste Collection

The Municipality recovers the cost for providing these services by charging a separate rate on the tax bill to those properties receiving these services.

The expense for streetlights include hydro and maintenance costs.

These rates will be established when the final tax rate by-law is passed.

Water and Sewer Rates – 6.27% Increase

Water – minimum 3 month charge

Rate 1 – \$101.08
Rate 2 - \$202.16
Rate 3 - \$303.24
Rate 4 - \$707.56
Rate 5 - \$404.32
Rate 6 - \$808.64
Rate 7 - \$909.72
Rate 8 - \$1,111.88
Rate 9 - \$1,617.28
Rate 10 - \$1,819.44
Rate 11 - \$2,021.60
Rate 12 - \$606.48
Rate 14 - \$3,234.56

Rate per cubic meter over base
\$1.400

Sewer – Minimum 3 Month Charge

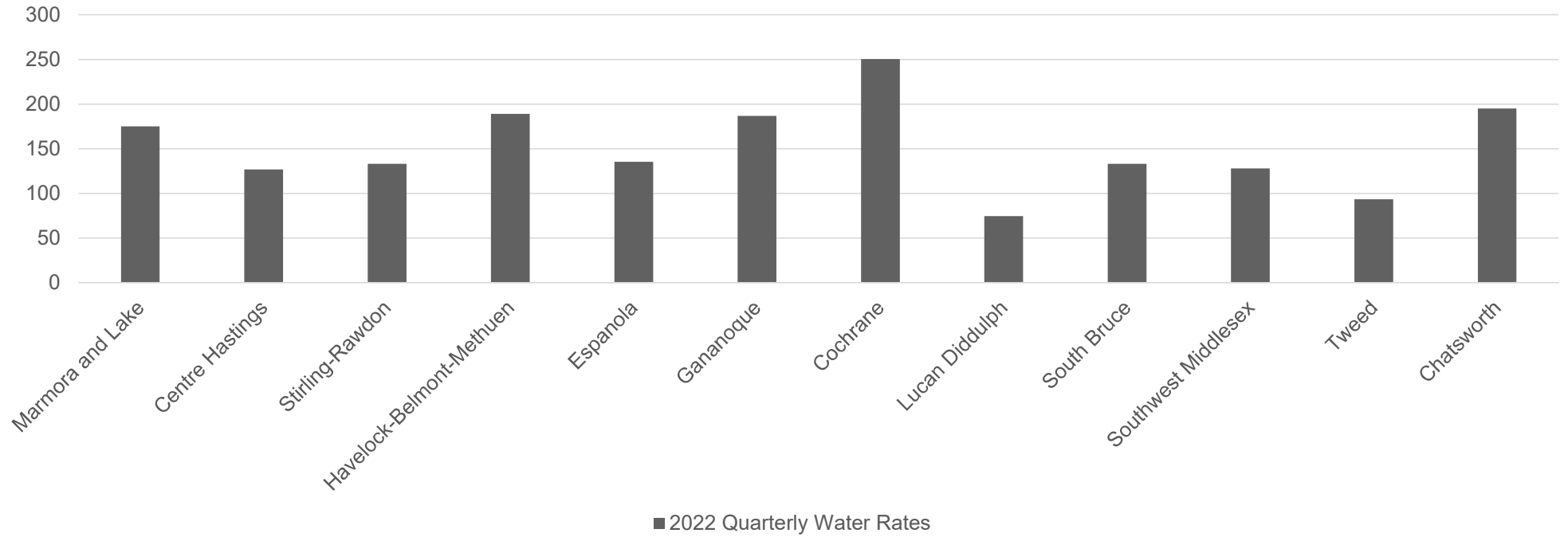
Rate 1 - \$111.47
Rate 2 - \$222.94
Rate 3 - \$334.41
Rate 4 - \$780.29
Rate 5 - \$445.88
Rate 6 - \$891.76
Rate 7 - \$1,003.23
Rate 8 - \$1,226.17
Rate 9 - \$1,783.52
Rate 10 - \$2,006.46
Rate 11 - \$2,229.40
Rate 12 - \$668.82
Rate 13 – flat rate \$111.47
Rate 14 - \$3,567.04

Rate per cubic meter over base
\$1.540

Water and Sewer Rates

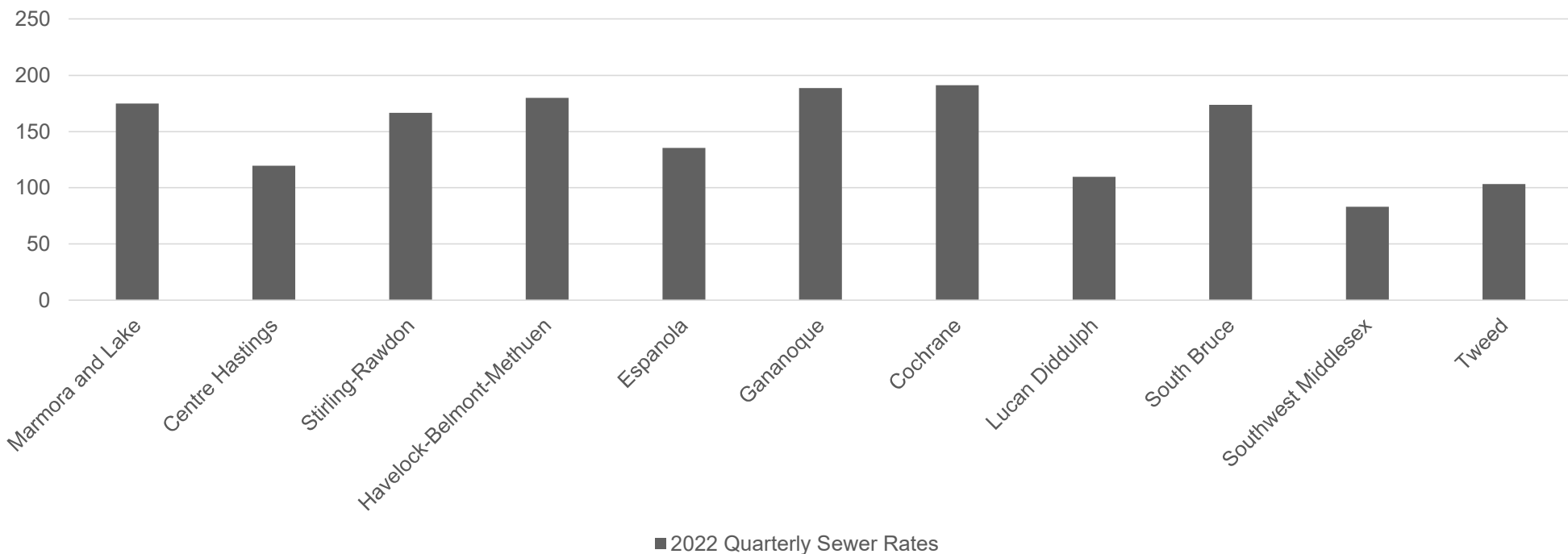
- Water and sewer capital infrastructure has estimated replacement costs of \$41,393,303 over the assets remaining useful lives (\$13,291,748 in the next 10 years)
- Projected water and sewer reserves by end of 2023 at \$398,098.58 as \$1,008,715 funding part of the \$13,291,748 in 2023
- Tweed's quarterly billing rates are substantially lower than comparative municipalities with same amount of population (average of 12 rates in 2022 for quarterly water of \$157.09 and average of 11 rates in 2022 for quarterly sewer of \$152.32)
- Quarterly base water rate at \$101.08 provides only \$22.97 per connection to capital projects
- Quarterly base sewer rate at \$111.47 provides only \$25.04 per connection to capital projects

2022 Quarterly Water Rates



Water Rate Comparison

2022 Quarterly Sewer Rates



Sewer Rate Comparison

User Fee By-Law Changes

Burial Permits set at \$40 for out-of-Municipality deaths

Zoning Amendment - \$1,200

Minor Variance - \$948

Arena Prime Time Hourly Rate - \$165

Arena – Non-Prime Time Hourly Rate - \$100

Minor Hockey & Figure Skating Rate - \$107

User Fee By-Law Changes, continued

Outside Ice Rental/Tournament Hourly Rate - \$165

Arena Floor Rental Hourly Rate - \$60

Special Events at arena with table, chairs, vendor sale, etc. - \$678

Soccer Field Rental – Tweed Soccer Association - \$1,650.01

Fence sign rental at recreation areas - \$113

Budget Summary

General Government

Consists of activities of Council and general financial and administrative management of the Municipality and its programs and services.

- Operating Revenues - \$2,851,279
- Capital Revenues - \$248,265
- Operating Expenses - \$1,265,325
- Capital Expenses - \$295,865
- Net operating tax impact per hour office is open of \$475.94 (2022 - \$486.18)

Budget Summary, continued

Protection Services

Includes fire, police, conservation authority and other protective inspection and control services such as by-law enforcement, animal control, livestock valuation and building permits.

- Operating Revenues - \$93,760
- Capital Revenues - \$163,000
- Operating Expenses - \$1,748,718
- Capital Expenses - \$293,000
- Net operating cost of fire services per property \$104.17 (2022 - \$79.40)
- Net operating cost of police services per property \$212.71 (2022 - \$220.10)
- Operating cost of animal control per tag/licence \$79.49 (2022 - \$69.47)
- Operating cost of livestock valuation per claim \$105.00 (2022 - \$98.48)
- Net operating cost of by-law enforcement services per hour of services \$47.12 (2022 - \$44.74)
- Net operating cost of conservation authority per property \$17.22 (2022 - \$16.18)

Budget Summary, continued

Transportation Services

Includes the activities of transportation function such as the construction and maintenance of the Municipality's roads and bridges, winter control services and street lighting. Gravel pit costs and operations are also included.

- Operating Revenues - \$113,598.12
- Capital Revenues - \$4,030,354
- Operating Expenses - \$2,605,316.12
- Capital Expenses - \$4,330,273
- Net operating cost per kilometre of roads/bridge decks \$6,045.07
(2022 - \$7,463.99)

Budget Summary, continued

Environmental Services

Consists of the function for providing water and sewer services to the Village residents as well as waste collection, disposal and recycling services to ratepayers.

- Operating Revenues - \$1,375,232
- Capital Revenues - \$3,252,745.50
- Operating Expenses - \$1,313,141.08
- Capital Expenses - \$3,529,448.42
- Sewer costs per residential connection \$345.73 (2022 - \$292.52)
- Water costs per residential connection \$312.45 (2022 - \$342.51)
- Net operating cost of waste management per hour landfill open to public \$179.25 (2022 - \$260.15)

Budget Summary, continued

Recreation and Cultural Services

Provides indoor and outdoor recreational facilities and programs including the transfers for the library board. The Municipality's Tweed Oil Kings team is included in this function.

- Operating Revenues - \$218,300
- Capital Revenues - \$848,440
- Operating Expenses - \$1,098,104
- Capital Expenses - \$1,068,270
- Net operating cost per acre of park space \$9,736.64 (2022 - \$7,068.76)
- Net operating cost of arena per hour of operation \$179.68 (2022 - \$94.64)
- Net operating cost of other recreation services per property \$51.22 (2022 - \$36.14)

Budget Summary, continued

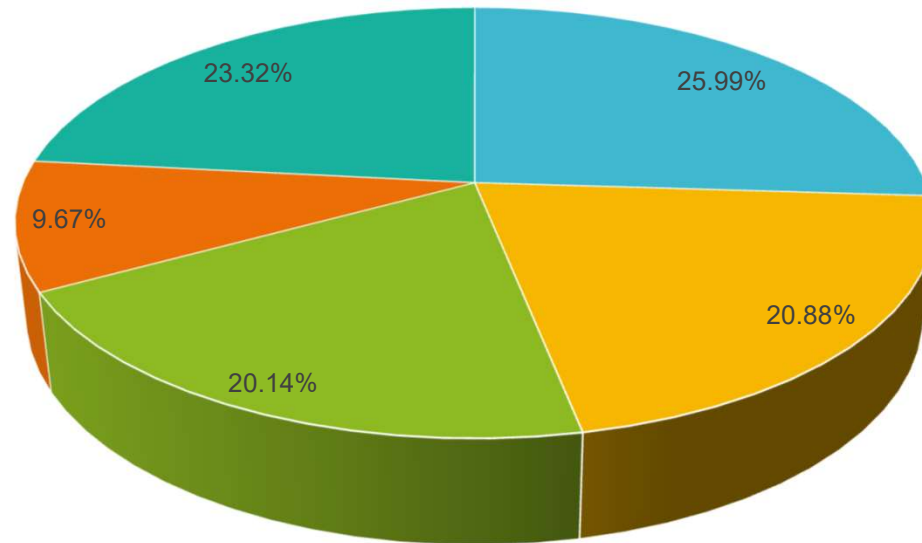
Planning and Development

Function manages commercial, industrial and residential development within the Municipality through community development activities and zoning and minor variance processes.

- Operating Revenues - \$60,440
- Operating Expenses - \$317,288
- Capital Expenses - \$16,300
- Net operating cost of community development per property \$51.23 (2022 - \$45.39)
- Net operating cost per planning file processed \$1,781.12 (2022 - \$1,952.17)

Revenue Sources

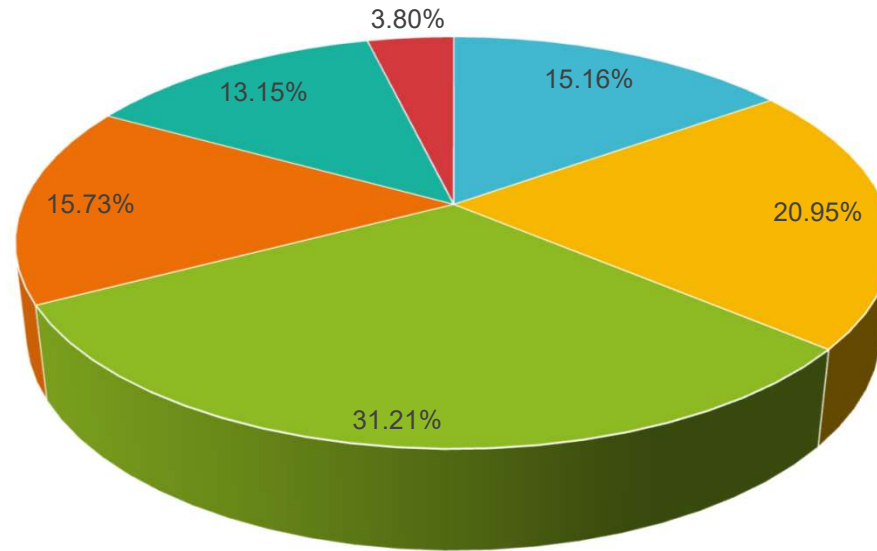
Revenue Sources



- Taxation & Special Charges
- Grants
- Transfers from Reserves
- User Charges
- Miscellaneous Revenues

Operating Expense Summary

Operating Expense Summary



- General Government
- Protection Services
- Transportation Services
- Environmental Services
- Recreation & Cultural Services
- Planning & Development

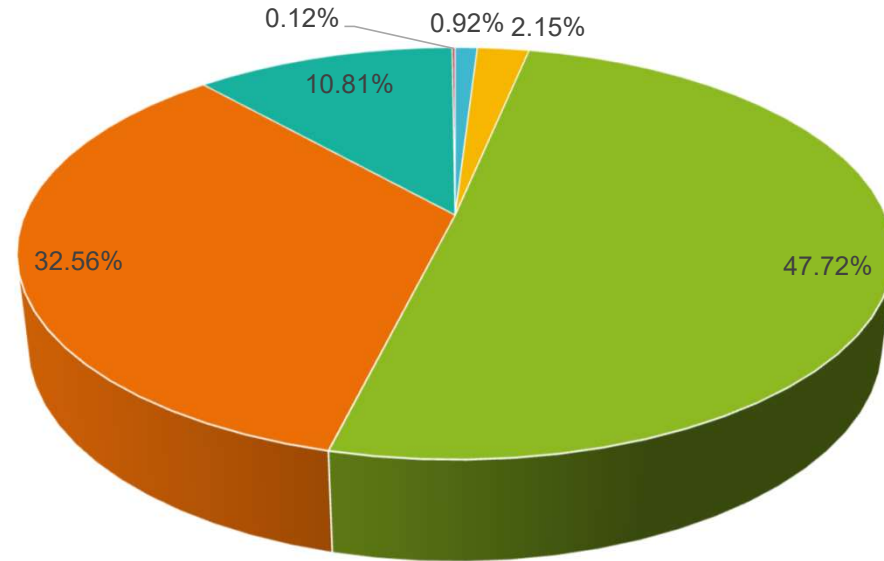
Capital projects

Some of the projects are as follows:

- Pomeroy Avenue Road, Water, Sewer, and Storm Rehabilitation - \$2,513,270
- Joe Allore Bridge Replacement - \$1,971,600
- Louisa Street Watermain Crossing Moira River - \$1,029,682.50
- Hunt Road Landfill Closure - \$500,000
- Queensborough Community Hall Renovations - \$430,000
- Water Treatment Plant Nitrate Medium Change - \$400,000
- Tandem Plow and Wing Combination Truck - \$351,238
- 2 Ton Truck Replacement - \$120,000
- New Backup Well for Village Water - \$103,000
- Water Treatment New Plant Control System - \$100,000

Capital Expense Needs

Capital Expense Needs



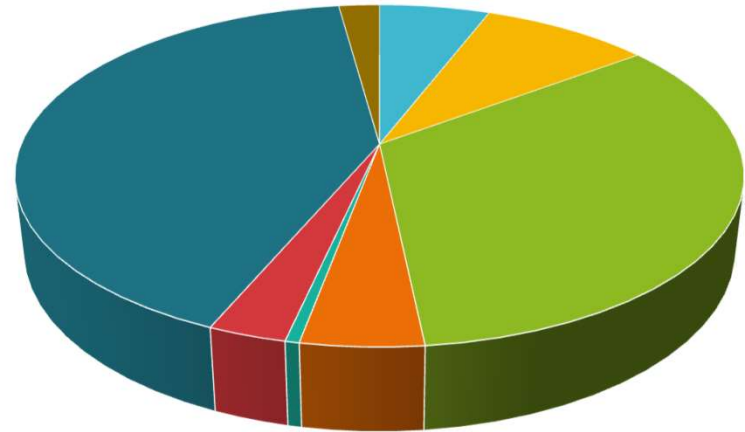
- General Government
- Protection Services
- Transportation Services
- Environmental Services
- Recreation & Cultural Services
- Planning & Development

Capital Funding Sources

- Federal Funding - \$496,873
- Provincial Funding - \$759,300.50
- Reserves and Reserve Funds - \$2,852,481
- Canada Community-Building Fund (Formerly Federal Gas Tax) - \$390,000
- Parkland fees - \$45,000
- Other Sources - \$250,000
- Internal and External Debt - \$3,522,150
- Taxation - \$183,150

Capital Funding Sources

Capital Funding Source



- Federal Funding
- Provincial Funding
- Reserves and Reserve Funds
- Canada Community-Building Fund
- Parkland
- Other Sources
- Internal and External Debt
- Taxation

Reserves and Reserve Funds

Reserves – 2023 beginning balance -	\$ 2,980,107.66
Transfers to	\$ 875,582.92
Transfers from	<u>\$(2,409,291.00)</u>
Projected ending -	\$ 1,446,399.58
Reserve Funds – 2023 beginning -	\$ 1,609,869.48
Transfers to	\$ 250,619.00
Transfers from	<u>\$(1,182,865.12)</u>
Projected ending -	\$ 677,623.36
Obligatory Res. Funds – 2023 beg. -	\$ 65,550.10
Transfers to	\$ 383,955.00
Transfers from	<u>\$(435,000.00)</u>
Projected ending -	\$ 14,505.28

Questions?

Comments and questions can be dropped off at the municipal office, called in to 613-478-2535 or e-mailed to Cao-treasurer@tweed.ca.

We would appreciate all comments and questions no later than end of business day March 2, 2023 in order to provide comments to council's agenda for the March 8, 2023 meeting.