



# 2022 BUDGET

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PRESENTED: NOVEMBER 15, 2021

TO BE APPROVED ON: DECEMBER 13, 2021

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# Background

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The municipal budget is a key planning document that provides a foundation to deliver municipal services.

Operating and capital expenditures are funded by revenue received from users fees, service charges, grants, property taxes and reserves. Property tax revenue represents approximately 50% of revenue in 2021 and 48% of revenue in 2022.

Budget and tax rate information related to the County of Simcoe and the related School Boards are not included in the municipal budget; they have no impact on the municipal tax rate. It is the responsibility of the Township of Ramara to collect taxes on behalf of the County and School Boards. The rates from both the County and School boards (Province of Ontario) will be released early in 2022.

# Budget highlights

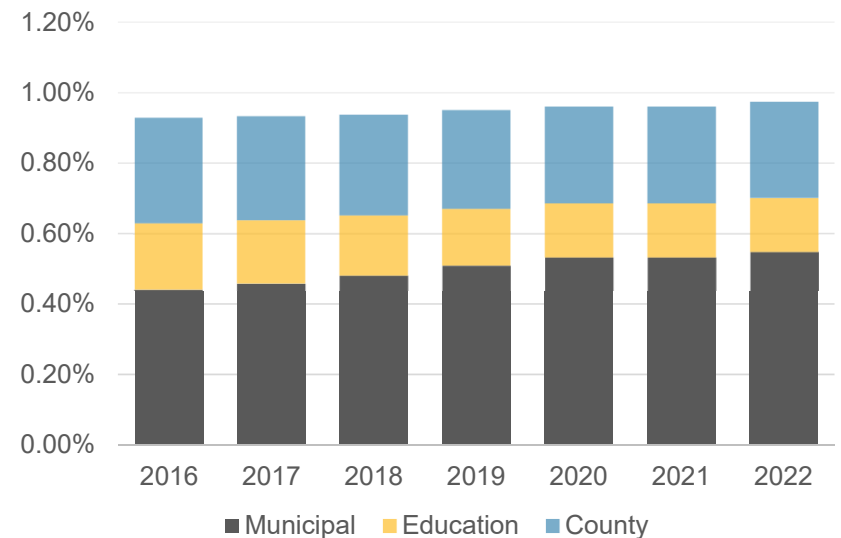
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- For every \$100,000 in assessment, the tax rate increase is **\$15.35** or **2.86%** on the municipal portion only.
- For every \$100,000 in assessment for the combined rate, the tax rate increase is **\$15.19** or **1.57%**. This rate would include the municipal, county, and school tax rates.
- Please note that the education and county rates are estimated based on the past three years. The decrease/ increase could be higher or lower than calculated.
- The assessment values used are for the 2022 taxation year. However, these numbers have not yet been finalized by MPAC, meaning the values could change.
- In 2022, assessment values will remain the same as 2021. The only increase will come from new construction.

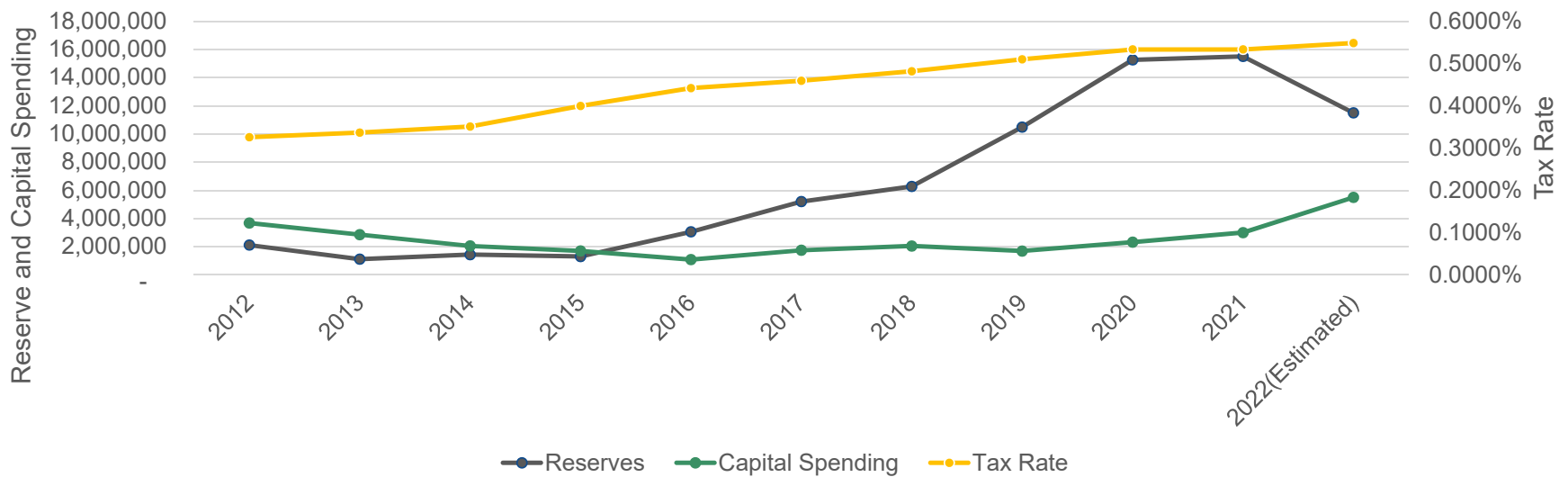
# Budget highlights

- Total raised by taxes for 2022 will be **\$13,545,372** compared to **\$12,828,394** in 2021
- Total increase in capital expenses 19% or \$1.8M
- Total increase in operating expenses 1.05% or \$190K
- Overall increase in budgeted expenses of 7.60% or \$2.1M
- Approved for \$130,000 of modernization funding to help implement customer service initiatives in 2022
- \$5M in reserves will be utilized for purchase and construction of capital in 2021 – Mainly due to the Ramara Rd 47 and industrial park projects

## TAX RATE COMPARISON



# Tax Increases vs Reserve Balances



RESERVE BLANCES			
2019	2020	2021(Estimated)	2022(Estimated)
\$11.0M	\$15.2M	\$15.5M	\$11.5M

# Surplus and Reserves

## ESTIMATED YEAR-END CARRYOVER

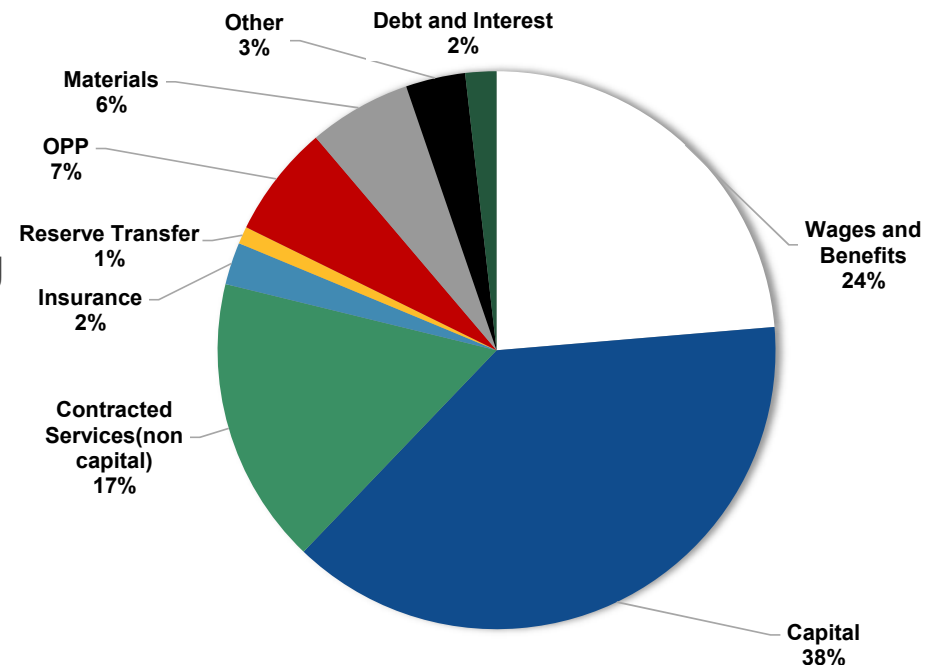
Department	Estimated 2021 Carryover (\$)
Admin	-
Fire	650,000
Works	2,000,000
Environmental	300,000
Recreation	-
Other	-
<b>Total</b>	<b>2,950,000</b>

## ESTIMATED RESERVE BREAKDOWN DEC 31 2021

Reserve	Description	Estimated year end Amount (\$)
Working Capital	Funds used to meet immediate obligations to avoid tax rate spikes	5,000,000
Contingency	Funds used to meet immediate obligations to avoid tax rate spikes	400,000
Rate Stabilization	Funds used when preparing a budget to avoid large tax rate increases	500,000
Modernization	Modernization funding to be utilized to expand internet services	100,000
Capital	Funds for capital projects	7,500,000
Other	Water, Library, LCPW, trails, and other	2,000,000
<b>Total</b>		<b>15,500,000</b>

# 2022 Expense Breakdown

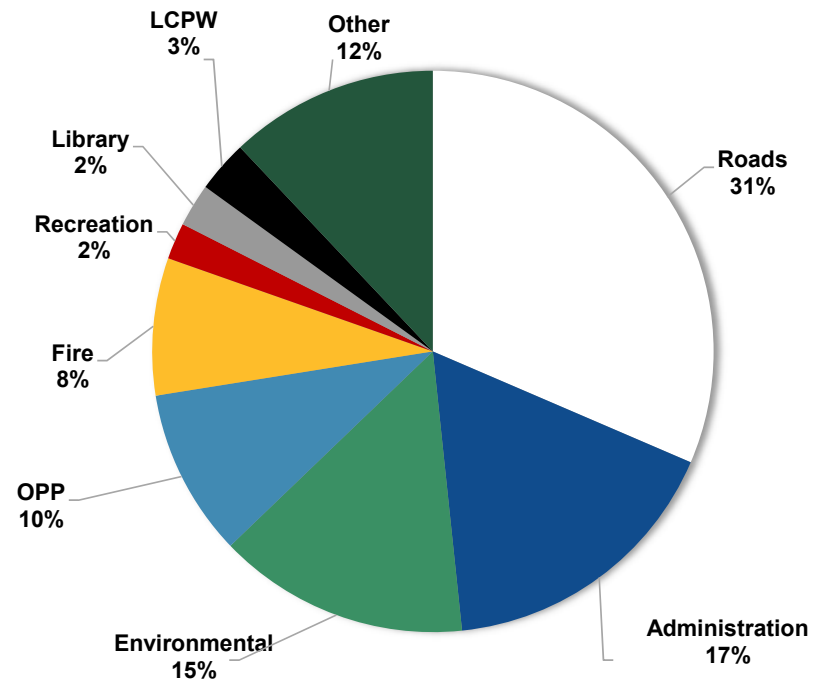
- Cost of living increase on all salaries and wages of 2%. Increase in benefits of roughly 7%. The total increase in wages by 1%.
- Oct CPI was listed at 4.5% - Cost of living was held at 2%
- Decrease in OPP costs of -2.42% (43K)
- Reserve transfer of \$265K
- Insurance increased by 10%(65K), 2021 actuals were over budget



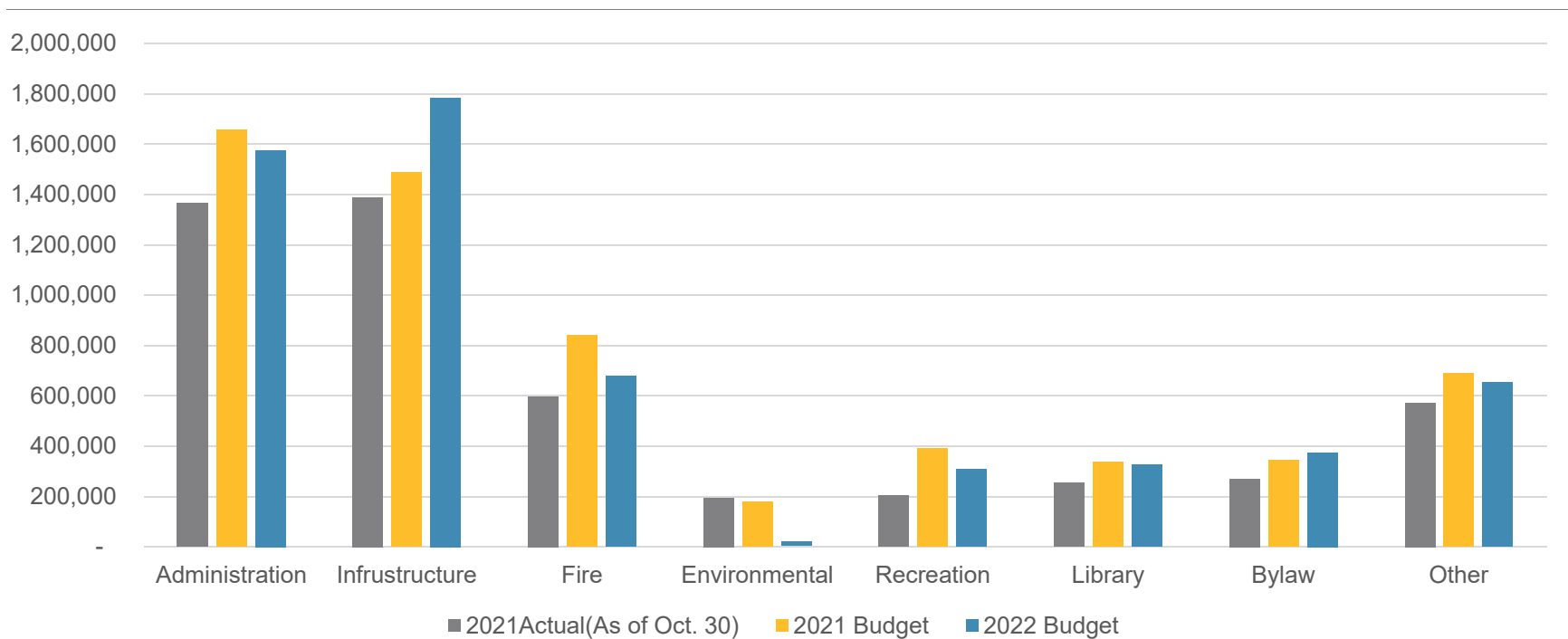


# 2022 Operating Cost Breakdown(By Dept.)

- Increase in Roads cost of 9%(480K)
- Decrease in Admin budget of 8%(412K) – due to a reduction in reserve transfers
- Decrease in Fire budget of 3% (35K) – Decrease in VFF wages and reserve transfers
- Increase in Library grant of 13% or 50k – Due to decrease in reserve revenue
- Increase in building cost 40% or 190K – Increase in septic re-inspection costs and additional staff
- Decrease in Environmental of 12% or \$355K



# Salaries and Wages by Department

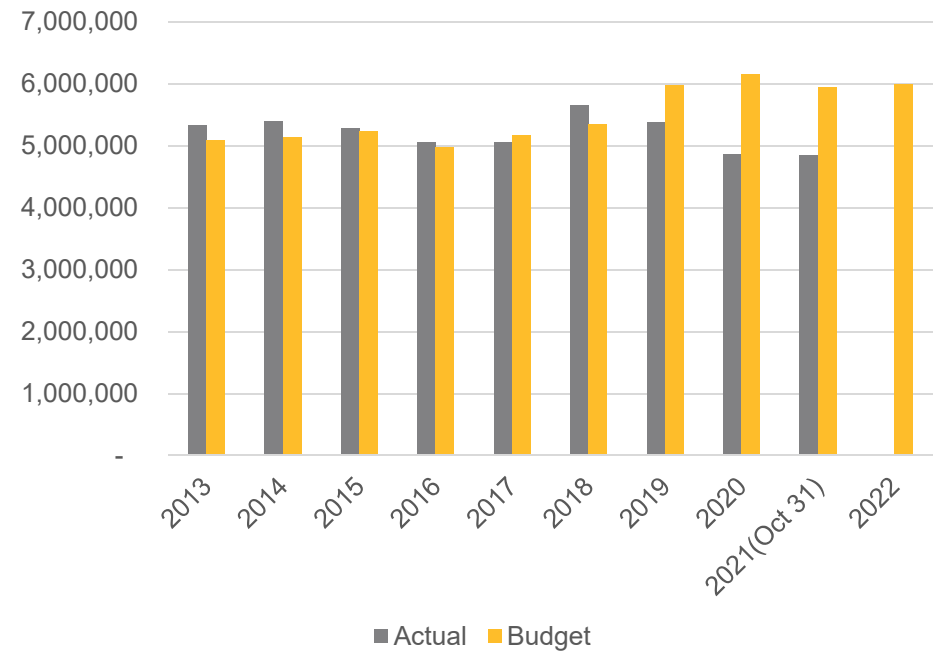


# Salary and Wages

## Increase estimated at 2% for cost of living increase

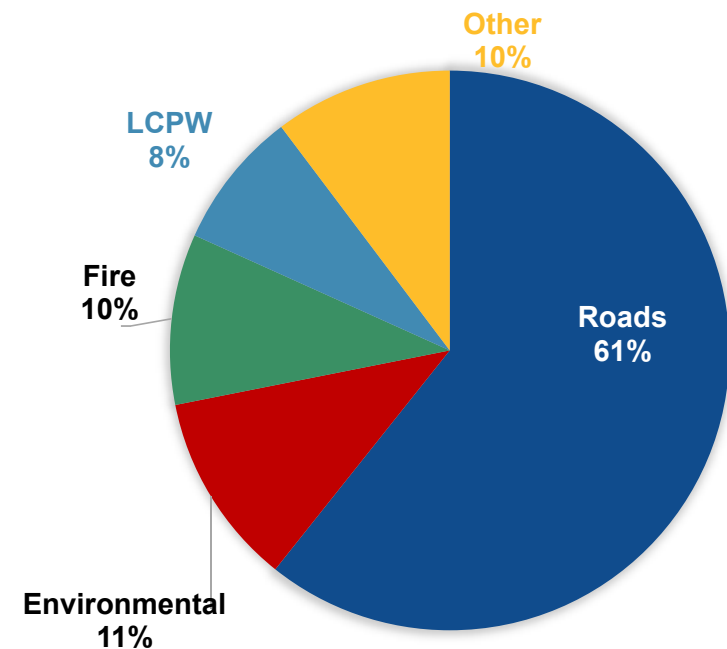
Current year changes:

- Manager of Finance/ Deputy Treasurer position added
- Admin support for building and planning added
- Laborer will be hired for the Works department
- Planning position added
- Student employees being added in building and planning to assist with summer workload
- Removed Special Advisor of Development position(April 30th 2022)
- Remove Administrative Assistant position from Admin
- Vacant positions during the year are keeping actuals lower then budget (planning and infrastructure)
- Increase in total budget salary of \$55K or 1%



# 2021 Capital Cost Breakdown (By Dept.)

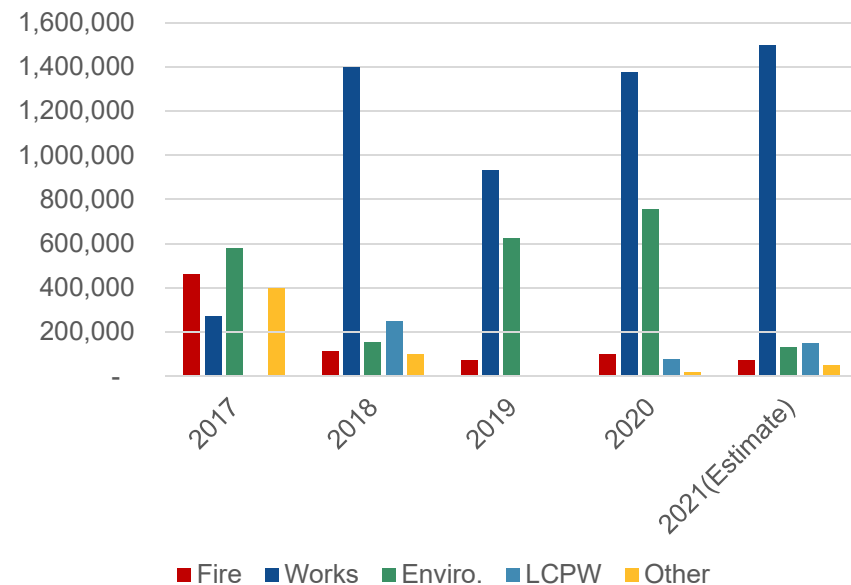
- Decrease in Roads capital costs by 1%
  - \$2M deferred from 2021
  - Ramara Road 47 is costing \$4.5M - more than half the budget
- Fire capital decrease of 6% or 155K
  - 550K and 65K from reserves to purchase new rescue truck and truck for Deputy Fire Chief – Trucks ordered in 2021
- Increase in Enviro. Capital by 100% or \$680K
  - 350K of projects not completed in 2021
  - 1.6M of capital recommended by OCWA
  - 1.3M of capital being presented in 2022 budget
  - Water Tower re-lining being deferred until 2023



# 2022 Capital Purchase Highlights

- New building vehicle \$45,000
- Fire Rescue vehicle \$550,000
- New customer portal interface and file management for Admin. at \$90,000
- Tandem Plow replacement \$350,000
- Roads Pickup replacement \$50,000
- Ramara Rd 47 construction \$4.5M
- Station 1 Bay addition \$150,000
- I&I work will continue in 2022 at an amount of \$50,000
- Construction of industrial park road \$1M (covered from sale of industrial park lots)

Historical Capital Spending by Dept.



# Other Capital project highlights

Project	Dept.	Description	Budgeted Cost
Ramara Rd 47	Infra.	The Township will be reconstructing and re-paving 3.6 KM of Ramara road 47 in 2022	\$4,500,000
Customer Portal and digital organization software	Admin	The Township will be purchasing software to enhance customer service and help digitize, organize and manage files. Modernization funding will be used	\$90,000
Concession Rd 3	Infra.	Reconstruct Concession Rd 3 – Highway 12 to Harrigan Drive	\$150,000
Basins Cleaning Lagoon City	Enviro.	Cleaning out of Lagoon City Basins in order to keep system functioning properly	\$90,000
Canal road	Infra.	SAMI and hotmix 3.26KM of Canal road	\$700,000
Lagoon City Pump refurbishment	Infra.	Refurbish worn out pumps at lift station #2	\$115,000
Lift station 4 Repair	Enviro.	Lift station 4 rails and base repair	\$375,000
Fire Station 1 – Bay Addition	Fire	Bay addition to fire station 1 – to facilitate ease of access around ladder truck 2 and house bunker gear and cleaning room	\$165,000
LCPW Equipment	LCPW	Purchase of new harvester, conveyor, and additional clean flow systems	\$650,000

# Projects removed from 2022

<b>Project</b>	<b>Dept.</b>	<b>Description</b>	<b>Budgeted Cost</b>
Water Tower	Enviro	Water Tower re-lining moved to 2023	\$250,000
Lagoon City	Enviro	Digester Roof addition	\$120,000
Hydrant Replacment	Enviro	The Hydrant replacement program upgrades hydrants every year but will be deferred in 2022	\$50,000
Con 9 Box Culvert	Roads	Replacement/reconstruct of concrete box culvert	\$1,200,000
Ladder Truck	Fire	Ladder truck # 2 – Used replacement	\$200,000
Total			\$3,020,000