



— Township of —

SEVERN

2023 Budget

2023 Budget Overview



- Maintain and Enhance Service Levels
- Infrastructure Deficit – Asset Management Plan (AMP)
- 2022 Year End Position
- 2023 Global Pressures
- 2023 Budget Pressures
- 2023 Budget Highlights
- 2023 Municipal Levy Increase
- 2023 Departmental Net Costs
- 2023 Estimated Blended Tax Impact
- 2023 Combined Municipal and Policing Impact
- 2023 Municipal Tax Impact
- 2023 Policing Impact
- 2023 Water and Sewer Rates
- 2023 Estimated Reserve Balances

Maintain and Enhance Service Levels



The budget is based on the principles of continuing to maintain or enhance levels of service, consider community safety and well-being, and prudent asset management.

The budget was drafted prior to this Council's strategic planning session in January 2023 and may require revisions to meet new priorities.

Infrastructure Deficit – AMP



- The Township Asset Management Plan was presented to Council in early 2021
- AMO – suggested 8.9% annual property tax increases for 10 years to meet municipal infrastructure needs
- AMP found that Severn’s annual capital re-investment necessary to maintain our assets was \$8.7 million leaving us with a \$4.9 million annual funding gap. \$3.2 million for tax rate funded assets and \$1.7 million for water and sewer rate funded assets.

Infrastructure Deficit Continued



- Comparing Severn's figures to AMO's suggestion above, an estimated 2.4% tax increase annually over 15 years for capital purposes only and a 4.0% water and sewer rate increase annually for 15 years would be required to resolve our current infrastructure and asset funding deficits.
- Next steps will be developing a long-term capital forecast to be used for future year's budget purposes.

2022 Year End Position



- To be reported separate from 2023 Budget at a Corporate Services Meeting in the new year.
- Surplus to be allocated to areas of need as directed by Council at that time, we anticipate a surplus for 2022 but it cannot be determined at this time.

2023 Global Pressures



- COVID-19 and GLOBAL Economy continue to challenge Supply Chains
- Inflation and Consumer Price Index Ontario 2022 – 7.1%
- Construction Price Index Ontario 2022 – 20.4%

2023 Budget Pressures



• Capital Levy (2022 - \$1,300,000) (2023 - \$1,600,000)	\$ 300,000
• Levy Impact Increase in Recreation	\$ 103,000
• Levy Impact Increase in Roads Operations	\$ 807,000
• 2.0% Cost of Living remuneration Increase	\$ 106,000
• New Fire Training Officer (from 5 year staffing plan)	\$ 94,000
• New Building Permit Co-ordinator	\$ 80,000
• New Seasonal Municipal Law Enforcement Officer	\$ 79,000
• Return of Program Coordinator – Recreation	\$ 32,000
• Reduction in tax arrears interest and penalties	\$ 35,000

2023 Budget Highlights



• Assessment Growth Impact	\$ 142,000
• Ontario Municipal Grant (OMPF) (2022 - \$1,142,200)	\$ 1,117,100
• Interest Revenue	\$ 1,300,000
• Administration Capital	\$ 220,000
• Mariposa House Hospice – Year 2 of 2 contribution	\$ 25,000
• Fire Capital	\$ 881,500
• Fire Capital Levy Impact (combined \$150,000)	\$ 150,000
• Policing Costs Increase (0.26%)	\$ 6,000
• Federal Gas Tax Funding (2022 - \$427,425)	\$ 446,009
• OCIF Funding (2022 - \$785,539)	\$ 903,370
• Building Department – new vehicle	\$ 45,000

2023 Budget Highlights Continued

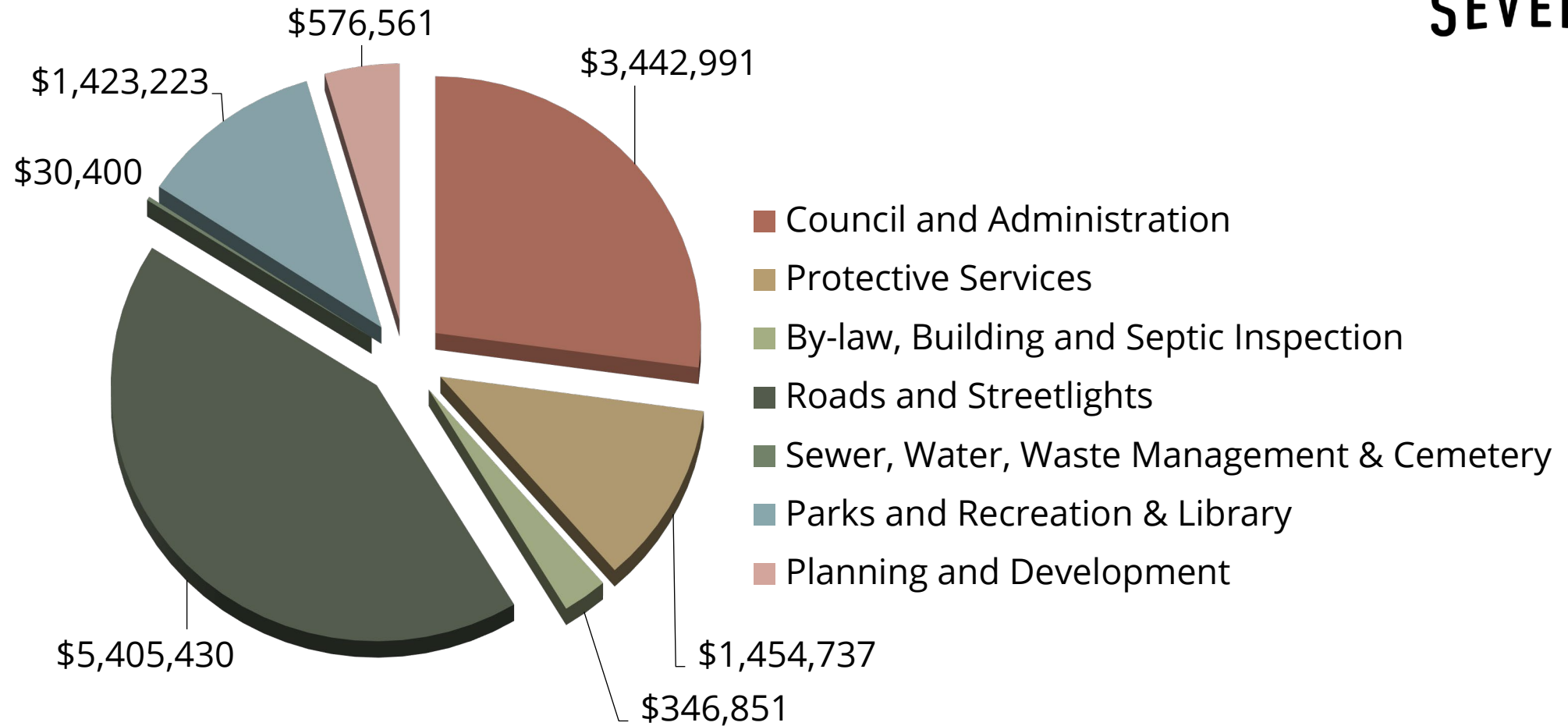


2023 Municipal Levy Increase



- 2023 \$12,660,193
- 2022 \$11,548,246
- 9.63% Increase
- \$1,111,947 Increase
 - Municipal Levy \$811,947 increase
 - Capital Levy \$300,000 increase

2023 Department Net Costs



2023 Estimated Blended Tax Impact



- **Includes Municipal, County and School Boards**
- Residential Phased in % Increase 0.00%
- 2023 Average Single Family: \$340,000
- 2022 Average Single Family: \$340,000
- 2022 Taxation $\$340,000 \times .00871815 = \$2,964.17$
- 2023 Taxation $\$340,000 \times .00911444 = \$3,098.91$
- \$134.74 Increase
- Percentage Increase 4.55%

2023 Combined Municipal and Policing Impact



- Residential Phased in % Increase 0.00%
- 2023 Average Single Family: \$340,000
- 2022 Average Single Family: \$340,000
- 2022 Taxation $\$340,000 \times .00439781 = \$1,495.26$
- 2023 Taxation $\$340,000 \times .00469644 = \$1,596.79$
- \$101.53 Increase
- Percentage Increase 6.79%

2023 Municipal Tax Impact



- Residential Phased in % Increase 0.00%
- 2023 Average Single Family: \$340,000
- 2022 Average Single Family: \$340,000
- 2022 Taxation $\$340,000 \times .00368618 = \$1,253.30$
- 2023 Taxation $\$340,000 \times .00399188 = \$1,357.24$
- \$103.94 Increase
- Percentage Increase 8.29%

2023 Policing Impact



- Residential Phased In Increase 0.00%
- 2023 Average Single Family: \$340,000
- 2022 Average Single Family: \$340,000
- 2022 Taxation $\$340,000 \times .00071163 = \241.95
- 2023 Taxation $\$340,000 \times .00070456 = \239.55
- \$2.40 Decrease
- Percentage decrease 0.99%

2023 Water and Sewer Rates



- Water and sewer rates sustainability study was completed in 2021.
- A 3.5% increase in water rates and a 4.5% increase in sewer rates has been included in the budget forecast.
- Minimum water rate per unit in 2022 was \$808.96
- Minimum rate increase of 3.5% per unit in 2023 to \$837.27
- Minimum sewer rate per unit in 2022 was \$781.91
- Minimum rate increase of 4.5% per unit in 2023 to \$817.10
- Increase in annual water and sewer billing for residents on both water and sewer services of \$63.50

2023 Estimated Reserve Balances



	Estimated Balances Dec. 31/22	Developer Contribution	Interest Income	Contribution From Revenue Fund	Transfer To Revenue Fund	Transfer To Capital Fund	Estimated Balance Dec. 31/23
Development Charges	\$ 5,887,603	\$ 400,000	\$ 122,800		\$ 31,500	\$ 3,291,684	\$ 3,087,219
Parkland Levies	\$ 582,317	\$ 20,000	\$ 12,100			\$ 534,624	\$ 79,793
Gas Tax	\$ 3,269,750		\$ 68,200	\$ 446,009		\$ 1,600,000	\$ 2,183,959
Building Replacement	\$ 1,592,416		\$ 33,200	\$ 200,000		\$ 385,000	\$ 1,440,616
Computer	\$ 226,687		\$ 4,700			\$ 50,000	\$ 181,387
Fire	\$ 1,023,764		\$ 21,300			\$ 457,000	\$ 588,064
Gravel Pits	\$ 127,727		\$ 2,700				\$ 130,427
Water Surplus Reserve	\$ 825,156		\$ 17,200		\$ 10,825	\$ 670,000	\$ 161,531
Sewers Surplus Reserve	\$ 303,516		\$ 6,300		\$ 44,239	\$ 221,466	\$ 44,111
Building Dep't	\$ 261,841		\$ 1,300		\$ 150,000		\$ 113,141
Westshore Upgrade & Mtce W&S	\$ 308,001		\$ 6,400			\$ 314,401	\$ -
Westshore Frontage Adjustments	\$ 183,967		\$ 3,800				\$ 187,767
Ice Resurfacer/Compressor	\$ 69,012			\$ 5,000			\$ 74,012
Library Building Reserve	\$ 33						\$ 33
Economic Development Reserve	\$ 71,900			\$ 25,000	\$ 96,900		\$ -
Taxation	\$ 500,000						\$ 500,000
Recreational facilities	\$ 366,511					\$ 65,000	\$ 301,511
Roads Equipment/Vehicle Reserve	\$ 949,800			\$ 299,830		\$ 562,000	\$ 687,630
Utilities Equipment/Vehicle Reserve	\$ 536,209			\$ 80,000			\$ 616,209
Election	\$ 434			\$ 30,000			\$ 30,434
Parkland	\$ 144,795			\$ 40,000		\$ 73,000	\$ 111,795
Building Dep't. Vehicles	\$ 72,005			\$ 11,000		\$ 45,000	\$ 38,005
Bylaw Truck Replacement	\$ 25,643			\$ 4,000			\$ 29,643
Septic Inspector Vehicle Replacement	\$ 8,000			\$ 4,000			\$ 12,000
Recreation Vehicle/Equipment Rep	\$ 12,337			\$ 10,000			\$ 22,337
Roads & Bridges	\$ 455,772					\$ 100,000	\$ 355,772
Emergency Preparedness	\$ 40,000						\$ 40,000
Fire Vehicle Replacement*	\$ 1,420,151						\$ 1,420,151
Columbarium	\$ 22,320			\$ 5,000			\$ 27,320
Administration Equipment	\$ 76,706			\$ 7,500		\$ 50,000	\$ 34,206
Modernization Fund Reserve	\$ 74,827					\$ 50,000	\$ 24,827
Road Rehabilitation	\$ 2,224,809			\$ 555,000		\$ 1,096,630	\$ 1,683,179
Working Fund	\$ 3,599,721						\$ 3,599,721
Capital Reserve	\$ 3,928,694			\$ 2,917,100	\$ 51,300	\$ 2,308,200	\$ 4,486,294
Totals	\$ 29,192,424	\$ 420,000	\$ 300,000	\$ 4,639,439	\$ 384,764	\$ 11,874,005	\$ 22,293,094



Thank you!