

2023 Draft Operating Budget

Municipality of Bluewater, Ontario



Photo credit: Erin Samuell

Municipality of Bluewater

2023 Operating Budget

CONTENTS

	PAGE
Operating Budget	
Operating Budget Overview.....	1
Budget to PSAB Reconciliation.....	9
Financial Schedules	
Schedule of Operating Revenues.....	14
Summary of Major Revenues.....	17
Schedule of Operating Expenditures.....	22
Summary of Major Expenditures.....	25
Mayor & Council.....	29
General Government.....	31
Fire Department.....	35
Police Services.....	37
Conservation.....	38
Building, By-Law and Emergency.....	39
Roads Consolidated.....	42
Fleet Operations.....	45
Street Lights.....	47
Sanitary Sewer.....	48
Water.....	51
Solid Waste.....	54
Marina.....	56
Facilities, Parks and Programs.....	58
Cemeteries.....	61
Culture, Planning and Development.....	62

Operating Budget Overview

New Budget Format

The 2023 Budget for the Municipality of Bluewater has been prepared with a new format, separating the Operating and Capital Budgets into two separate budget documents. The reason for this change is that operating and capital budgets have unique features – operating budgets tend to be cyclical and the nature of the expenses tend to be similar from one year to the next. Viewing the operating budget separately from the capital budget facilitates trend analysis and enhances the ability to identify changes and the reason for the changes. Capital budgets, in contrast, can vary from one year to the next, both in terms of financial requirements and the nature of projects to be completed. Capital projects often span year-ends and carry on from one year to the next. In addition, because capital projects are large in dollar value and vary from one year to the next, it is important to plan financially for future needs and forecast over multiple years.

It is important to note the following with regard to comparative information in the 2023 Operating Budget:

2022 Budget Amounts – budgeted capital revenues and expenditures have been reclassified in the comparative information presented, to more closely approximate the same basis of presentation. The totals including capital have been provided to tie in to the previous year's budget presentation.

2020 and 2021 Actual Amounts – capital revenues and expenditures have not been reclassified due to the complexity and time required in reviewing and adjusting numerous accounts. This means that care must be taken when reviewing the comparative Actual expense data from 2020 and 2021 to ensure that revenues and expenditures are being analyzed appropriately. Amortization expense has been excluded from the prior year comparative numbers, as it is a non-cash expense.

Operating Budget Overview

Budget Basis

The Municipality of Bluewater, like most other municipalities, prepares its budget on a “modified accrual” basis, which is similar to a “cash basis” with a few modifications. This means the budget is prepared so that money coming in = money going out. Under this modified basis, “Expenditures” include items which are not seen on a Statement of Operations (an Income Statement), such as principal payments on debt and transfers to reserves.

Priorities

Key priorities for municipal staff in preparing the 2023 budget were:

1. Fiscal responsibility and the efficient use of tax dollars
2. Continuing to provide levels of service to the community
3. Budgets that accurately reflect anticipated costs
4. New sources of revenue to reduce the impact on property taxes, such as grants and user fees
5. Providing adequate training and investment in staff
6. Continuing to seek efficiencies and modernize operations
7. Preparation of a multi-year capital financial forecast and consideration of future capital funding needs

Operating Budget Overview

Challenges

The budget was prepared during challenging economic times. Inflation rates are at historically high levels, and this is impacting the cost of most of the municipality's materials, supplies, and contracted services. The Consumer Price Index increased by 6.7% from September 2021 to September 2022, and the Construction Price Index increased 15.6% over the same period. Heating fuel prices have been budgeted with a 50% increase due to recent increases, and the budget for insurance has increased over 26%, having been adjusted by the amount of premiums the municipality has prepaid at the end of 2022 and anticipating a 10% increase for the second half of the year.

While COVID-19 restrictions have eased, the pandemic is still having an impact. Bluewater continues to see lower arena revenues which have not yet recovered to pre-pandemic levels. Provincial funding carried forward for COVID-19 operating pressures is being used to offset these decreased revenues but there is no future grant funding anticipated for this item.

Staff Salaries and Benefits

In keeping with the Pay Administration Policy, the municipality underwent a "market check" comparison of its compensation, and the budget reflects those increases. Throughout the budget, "market check" refers to the Market Check and Pay Equity Review that was completed for all thirty-six (36) positions in Bluewater's pay bands by Ward & Uptigrove in 2022. The Pay Administration Policy also outlines that each year, subject to budget approval, the entire pay band grid may move up at the annual Statistics Canada Ontario Consumer Price Index for the twelve months ended September 30, which was 6.7% for 2022. The draft budget has been prepared with a 4% cost of living adjustment ("COLA"), which is 2.7% lower than the recent rate of inflation at 6.7%, decreasing the budget impact by approximately \$121,000. It is proposed that if a COLA

Operating Budget Overview

adjustment is approved lower than the CPI for this year, when the 2024 budget is prepared the change over two years would be considered, and the cumulative COLA adjustment would ensure that the 2.7% difference is added to any impact in 2023. The total cost of the market check and COLA are \$457,900, of which \$59,800 impacts the Water and Sanitary Sewer Departments, \$84,800 impacts the Building Department, and \$313,300 impacts the tax levy supported departments.

The cost of employee benefits has increased, in part because inflation has impacted the cost of extended benefits, in the amount of \$32,800. In addition there is a mandatory new offering of the Ontario Municipal Employees' Retirement System ("OMERS") retirement benefits to non-full-time ("NFT") staff. In the past, NFT staff had to meet a minimum number of hours over two years to be eligible to join OMERS. In 2020, OMERS passed a plan change to remove the eligibility requirement and allow NFT employees to join at any time on or after January 1, 2023. It is unknown how many NFT staff will choose to join OMERS and when, and to ensure adequate funds are available, the budget has been prepared on the assumption that all NFT staff will join, except for seasonal staff and students. The total cost based on these assumptions is \$29,820.

The Municipality will change a seasonal summer plant waterer position to a seasonal horticultural specialist to provide a higher level of expertise. The full-time position will work 35 hours per week from May to September and will be occasionally accompanied by a summer student. In addition to plant watering, the gardener will oversee all garden maintenance (including rain gardens), new garden development, new Bayfield Main Street garden maintenance and other park maintenance as required.

Operating Budget Overview

Transfers to Reserves for Capital

The Municipality's Asset Management Plan has identified the need to invest in infrastructure and has noted that capital spending needs in the next few years are higher than the amount the municipality has historically invested in capital. Bluewater's Corporate Financial Principles Policy, By-law 18-2021, states that the capital levy should be adjusted annually by the Construction Price Index determined by Statistics Canada. The estimate of the tax levy contribution to capital in 2022 was \$1,240,652. With a Construction Price Index increase of 15.6%, the capital levy should increase by \$193,542. In addition to that increase, the 2022 capital budget included the renovation of the Zurich Fire Hall, which was to be taken from the Fire Reserve and repaid over approximately four years at \$203,554 (the exact cost to be determined on project completion). Therefore capital reserve transfers should increase by \$397,096. The budget includes a tax levy supported increase of approximately \$48,944 due to the challenges presented with current levels of inflation.

Sanitary Sewer reserve transfers are budgeted to increase by 46.16%, or \$239,977, and the Water reserve transfers are budgeted to increase by 38.68%, or \$292,496. These reserve transfers are based on the Water and Wastewater Financial Plans, and as rate-supported budgets, any surplus or deficit must be transferred to/from the respective reserves/reserve funds.

Tax Levy Increase

The 2023 Operating Budget includes an estimated 6.81% increase in the tax levy, after tax assessment growth. Table 1 summarizes the total increase to the operating budget of \$1,083,846. The assessment growth is based on new or renovated properties and was released by the Municipal Property Assessment Corporation (MPAC) in December at 1.26% of assessment value. Growth reduces the impact of increased taxes on existing property owners. This growth will bring in an additional \$155,272 in taxation revenue

Operating Budget Overview

without any changes to the tax rates over the prior year. The change along with the increase in assessment will lead to an estimated 9.04% increase in property tax for existing taxpayers in 2023.

Table 1 - 2023 Draft Operating Budget Net Increase

	2022 Budget	2023 Budget	Budget Change	
			Dollar	Percent
Municipal Levy	\$ 7,045,025	\$ 7,797,005	\$ 751,980	10.67%
OPP Levy	\$ 1,528,340	\$ 1,515,698	\$ (12,642)	-0.83%
	\$ 8,573,365	\$ 9,312,703	\$ 739,338	8.62%
Assessment Growth - Actual			\$ (155,272)	-1.81%
Net Operating Budget Increase After Growth			\$ 584,066	6.81%

Operating Budget Overview

Impact on the Average Taxpayer

A household with the median/typical assessed value of \$246,000 would pay \$1,121 in Bluewater's portion of their property tax in 2022. This excludes property tax paid to the County and the School Boards, as well as street light rates, wheelie bin charges, and debentures for water and sewer capital works. The proposed budget increase would equate to an approximate \$77 annual increase for the typical household.

Normally, the change in residential assessment value from year to year is dependent on several factors, and not all properties change at the same rate. The change in property taxes for a specific property is impacted by the tax rate for the class of property and by the assessed value of the property. The Province has announced that property tax assessment values will remain constant at the 2016 assessment value for 2023, excluding improvements to properties that are assessed by MPAC. As a result, for 2023, assessment values will be held constant to 2022 assessed values due to the impact of the pandemic (unless there is an improvement to the property which has been assessed by MPAC), which means that the property tax rate change is the primary determinant of the change in property taxes paid for 2023.

Further, the amount of property tax is impacted by changes in Tax Ratios between property classes. These Tax Ratios are set by the County, and although they have not been set for 2023 yet, significant changes are not anticipated based on the information available to Finance Department staff at this time.

Therefore, the increase that is being estimated isn't the exact increase that every property will experience. However, the increase of \$77 per year gives an estimate of the impact per average household, all other things being equal. The combined impact of rate changes including the County and the School Boards will not be known until all of the rates and ratios have been announced.

Table 2 below provides sample increases for some common property types in the municipality.

Operating Budget Overview

Table 2 - 2023 Estimated Bluewater Tax Increase for Common Property Types

Property	Median/Typical Assessment Value	2022 Taxes*	2023 Taxes*	Proposed 2023 Tax Change \$	Proposed 2023 Tax Change %
Single Family Home	246,000	\$ 1,120	\$ 1,197	\$ 77	5.73%
Seasonal Recreational Dwelling	338,000	\$ 1,539	\$ 1,644	\$ 105	5.70%
Farmland	1,212,800	\$ 1,381	\$ 1,475	\$ 94	5.72%
Small Retail Commercial Property	125,000	\$ 626	\$ 669	\$ 43	3.58%

*Taxes for Bluewater portion only, excluding County, School Boards, street light rates, wheelie bin charges, and local improvement charges.

Conclusion

The 2023 Operating Budget has been particularly challenging to prepare due to the pressures created by rapidly rising inflation and its impact on the cost of materials, contracted services, and staff compensation, and an increased need to contribute to capital reserves for infrastructure needs. The budget endeavours to balance all of these competing demands without changing the levels of service provided to the community.

Budget to PSAB Reconciliation

The Municipality of Bluewater is required to follow the accounting standards established by the Public Sector Accounting Board (PSAB). In 2009, accounting for tangible capital assets was introduced but the standards do not require budgets to be prepared on a fully accrued basis. The Municipality of Bluewater, like many municipalities, continues to prepare budgets on a modified accrual basis.

Ontario Regulation 284/09

The Province of Ontario passed Ontario Regulation 284/09 (O. Reg 284/09) that allows a municipality to exclude from its estimated expenses costs related to amortization expenses, post-employment benefit expenses and solid waste landfill closure and post-closure expenses. However, the regulation does require that the municipality report on the impact and consequences of these excluded costs.

The Regulation requires that the report contain at a minimum:

- a. An estimate of the change in accumulated surplus (revenues less expenditures) of the municipality to the end of the year resulting from the exclusion of these expenses.
- b. An analysis of the estimated impact of the exclusion of these expenses on future tangible capital asset funding requirements of the Municipality.

Amortization is the systematic way that an asset is expensed over its useful life. The Bluewater budget excludes amortization expenses as they are a non-cash expense. The budget includes a transfer to reserve for solid waste closure costs, however the accrued post-closure cost is excluded as it is a non-cash item. The cost of the Municipality's contribution to the Ontario Municipal Employers Retirement System ("OMERS") for current employees is included in the budget, but there are no estimated post-employment benefit expenses.

Budget to PSAB Reconciliation

Other Adjustments

In addition to these excluded expenses, the modified accrual-based budgets prepared by the Municipality include certain types of transactions that are excluded for PSAB reporting purposes. These are not covered by Ontario Regulation 284/09. However, for transparency purposes and consistency, the annual surplus contained in this report will be included as budget figures in the 2023 published financial statements, if approved by Council. As such, the following items that are included in the modified accrual-based budget will be excluded from the PSAB-based budget on the Statement of Operations:

1. Debenture principal payments
2. Transfers to reserve funds
3. Transfers from reserve funds
4. Tangible capital asset costs
5. Debenture issues reported as funding inflows for tangible capital assets

This report outlines the changes made to convert the balanced 2023 budget prepared under the modified accrual-basis of accounting to the PSAB basis of accounting, which is expected to increase the Municipality's accumulated surplus in the amount of \$2,196,505.

Amortization of \$2,300,000 listed in the appendix has a major impact on the projected 2023 accumulated surplus. The amortization expense reduces the surplus amount and also reduces the net book value of the tangible capital assets reported on the annual audited statement of financial position.

Budget to PSAB Reconciliation

Other Adjustments Continued

Fixed asset purchases of \$7,033,217 are greater than estimated amortization. This means that the Municipality's assets are being added at a faster rate than they are being used. It also means that funding will be required in the future to maintain and replace those asset additions. A strategic objective has been to complete the capital asset management plan, which will aid in further assessing the adequacy of the life cycle replacement requirements of the Municipality's growing capital asset base over the long-term.

Estimated amortization for 2023 is based on a projection of existing assets and the associated annual amortization charge. It does not include a projection for assets not yet in service or new assets that haven't yet been recorded in the fixed asset subledger, except for a slight estimated increase each year.

The appendix outlines the impact of items in the 2023 budget and does not include the impact of capital projects budgeted for in prior years, or their associated funding.

The estimated solid waste landfill closure and post-closure expense is an estimate based on prior year results, and actual results may vary depending on the changes to the rate of inflation, interest rates, and cost trends.

Budget to PSAB Reconciliation

for the year ended December 31, 2023		Budget Amount
Revenues		
Provisional operating budget		\$ 20,098,214
Add capital:		
Canada Community Building Fund	236,159	
Ontario Community Infrastructure Fund	661,661	
Other grants	175,000	
		1,072,820
Less:		
Transfers from reserves - operating	(817,466)	
Transfer from Vibrancy	(98,800)	
		(916,266)
Total revenues		20,254,768

Budget to PSAB Reconciliation

for the year ended December 31, 2023		Budget Amount
Expenses		
Provisional operating budget		20,098,214
Add:		
Amortization	2,300,000	
Solid waste landfill closure and post-closure expenses	<u>45,000</u>	
		2,345,000
Less:		
Debt principal payments	(459,919)	
Transfers to reserves	<u>(3,925,032)</u>	
		(4,384,951)
Total expenses		18,058,263
Annual surplus		\$ 2,196,505

Schedule of Operating Revenues

	2022 Approved Budget	2023 Provisional Budget	Budget Change		
			Dollar	Percent	Notes
Taxation					
Taxation - General	\$ 6,993,333	\$ 7,797,005	\$ 803,672	11.49%	(1)
Taxation - O.P.P.	1,528,340	1,515,698	(12,642)	(0.83)%	
Payments in Lieu of Taxes	51,692	51,692	-	-%	
Total Taxation	8,573,365	9,364,395	791,030	9.23%	
General Government					
Council	22,000	22,000	-	-%	
General Government	3,025,123	2,541,755	(483,368)	(15.98)%	(2)
Total General Government	3,047,123	2,563,755	(483,368)	(15.86)%	
Protection to Persons and Property					
Fire Department	164,374	307,950	143,576	87.35%	
Building, By-Law, and Other	451,230	803,052	351,822	77.97%	(3)
Total Protection to Persons and Property	615,604	1,111,002	495,398	80.47%	
Public Works					
Roads Consolidated	110,849	83,850	(26,999)	(24.36)%	(4)
Fleet Operations	5,000	21,000	16,000	320.00%	(5)
Street Lights	166,853	166,853	-	-%	
Sanitary Sewer	1,899,745	1,644,032	(255,713)	(13.46)%	(6)
Water	3,032,309	3,040,291	7,982	0.26%	(6)

Schedule of Operating Revenues

	2022 Approved Budget	2023 Provisional Budget	Budget Change		
			Dollar	Percent	Notes
Solid Waste	786,836	1,084,830	297,994	37.87%	(7)
Total Public Works	6,001,592	6,040,856	39,264	0.65%	
Facilities and Recreation					
Marina	117,080	172,505	55,425	47.34%	(8)
Facilities, Parks and Programs	574,238	484,402	(89,836)	(15.64)%	(9)
Total Facilities and Recreation	691,318	656,907	(34,411)	(4.98)%	
Health Services					
Cemeteries	21,504	24,200	2,696	12.54%	
Total Health Services	21,504	24,200	2,696	12.54%	
Culture, Planning and Development					
Culture, Planning and Development	233,524	337,099	103,575	44.35%	(10)
Total Culture, Planning and Development	233,524	337,099	103,575	44.35%	
Total Operating Revenues	19,184,030	20,098,214	914,184	4.77%	
Capital Revenues	18,744,632	-	(18,744,632)		(11)
Grand Total	\$ 37,928,662	\$ 20,098,214	\$(17,830,448)	(47.01)%	(11)

Schedule of Operating Revenues

Notes:

- (1) This is the total increase in the tax levy including growth. The increase in the Municipality's property tax levy that will impact existing property owners will be different, because a portion will be paid by new property owners, and because debenture payments through taxation hold fairly consistent unless a new project is debentured and charged to property owners in the year.
- (2) Prior year budget included \$556,600 in proceeds on disposal of property.
- (3) Short-term rental licensing fees of \$200,000 budgeted if approved by Council, and Building Department deficit of approximately \$250,000 transferred from its reserve because it is rate supported.
- (4) Decrease in grant funding with offsetting decrease in related expenditures.
- (5) Proceeds on disposal of vehicles.
- (6) The Sanitary Sewer and Water Departments are rate supported and any surplus or deficit must be transferred to/from its reserve.
- (7) Increased wheelie bin fees are required to offset increased contract services costs.
- (8) Increased cost of dredging anticipated to be fully recovered.
- (9) Prior year budget included grant funding for the Recreation Master Plan, Facility Management Software, and Building Condition Assessment, and those projects are complete.
- (10) Increased transfers from reserve to offset cost of municipal portion of drain construction when projects are complete and billed out.
- (11) The capital budget is being presented separately commencing for 2023.

Summary of Major Revenues

	2022		2023		Budget Change		
	Approved Budget	Percent of Total	Provisional Budget	Percent of Total	Dollar	Percent	Notes
Tax Levy Supported							
Taxation Revenue	\$ 8,796,642	61.72	\$ 9,587,738	62.20	\$ 791,096	8.99 %	(1)
Grant Revenue	1,634,882	11.47	1,674,455	10.86	39,573	2.42	(2)
Waste Collection Bin Fees	574,745	4.03	921,830	5.98	347,085	60.39	(3)
Transfer from Reserve	1,022,126	7.17	774,382	5.02	(247,744)	(24.24)	(4)
Vibrancy Revenues	567,050	3.98	567,050	3.68	-	-	(9)
Fees	392,601	2.75	439,610	2.85	47,009	11.97	(5)
Licenses and Permits	349,375	2.45	347,750	2.26	(1,625)	(0.47)	
Rentals	280,306	1.97	273,950	1.78	(6,356)	(2.27)	(6)
Short-term Rental Licensing Fees	-	-	200,000	1.30	200,000	-	(7)
Penalties and Interest on Taxes	130,000	0.91	130,000	0.84	-	-	
Other Revenues	121,253	0.85	125,952	0.82	4,699	3.88	(8)
Fire Calls and Operational Revenues	122,222	0.86	121,600	0.79	(622)	(0.51)	
Transfer from Vibrancy	141,000	0.99	98,800	0.64	(42,200)	(29.93)	(9)
Investment Income	50,000	0.35	80,000	0.52	30,000	60.00	(10)
Other Municipal Revenue	34,000	0.24	34,000	0.22	-	-	
Debenture Recovery	30,774	0.22	30,774	0.20	-	-	
Donation Revenues	5,000	0.04	6,000	0.04	1,000	20.00	

Summary of Major Revenues

	2022	Percent of Total	2023	Percent of Total	Budget Change		
	Approved Budget		Provisional Budget		Dollar	Percent	Notes
Total Tax Levy Supported Operating	14,251,976	100.00	15,413,891	100.00	1,161,915	8.15 %	
Sanitary Sewer Revenues	1,899,745		1,644,032		(255,713)	(13.46)%	(11)
Water Revenues	3,032,309		3,040,291		7,982	0.26 %	
Capital Revenues	18,744,632		-		(18,744,632)		(12)
Total Revenues	\$ 37,928,662		\$20,098,214		\$(17,830,448)	(47.01)%	(12)

Notes:

- (1) This is the total increase in the tax levy including growth. The increase in the Municipality's property tax levy that will impact existing property owners will be lower, because a portion will be paid by new property owners.
- (2) Modernization and efficiency funding for electronic records management and asset management. This funding was previously budgeted but classified as transfer from reserve funds. The projects were previously approved by Council and are anticipated to commence in 2023.
- (3) Increased wheelie bin fees are required to offset increased contract services costs.
- (4) Prior year budget included proceeds on disposal of property.
- (5) Increase relates primarily to new Finance Department fees.
- (6) Budget for arena rental revenues decreased to reflect recent year actuals. Revenues have not yet returned to pre-pandemic levels.

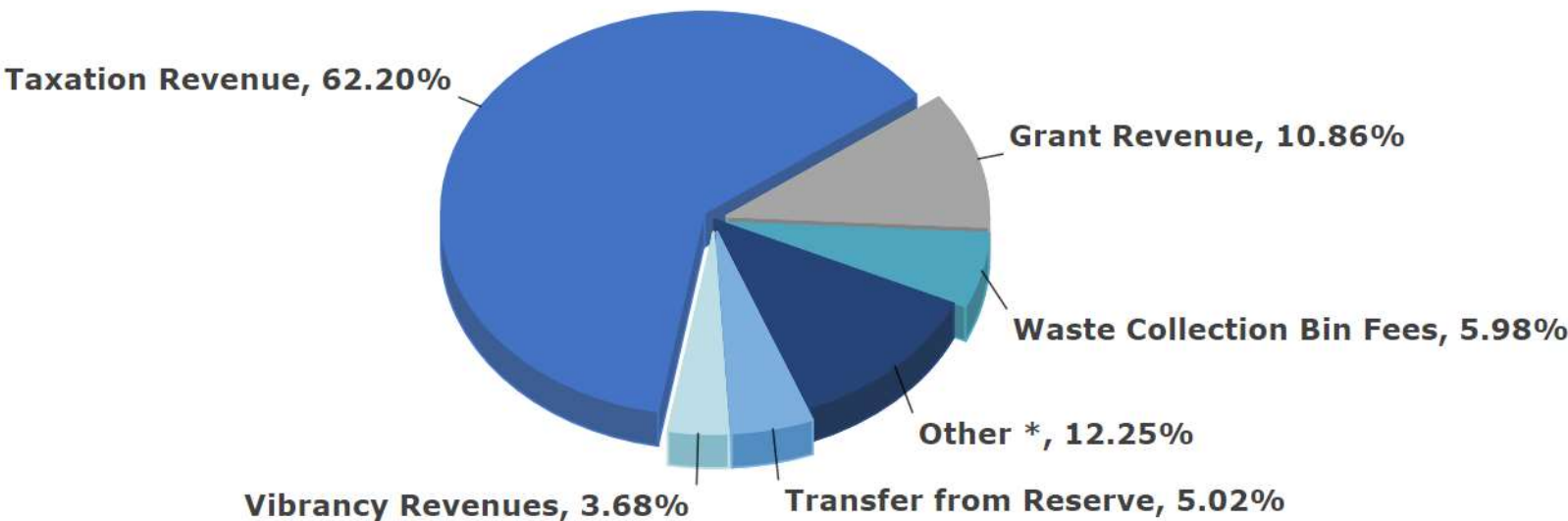
Summary of Major Revenues

- (7) New fees for short-term rental licensing, if approved by Council and passed by by-law. There will be increased costs but revenues are anticipated to exceed costs.
- (8) Prior year budget included proceeds on disposal of property.
- (9) Transfer from vibrancy reserve has been classified separately for presentation purposes, and included funding for the Public Works shed in 2022. The full amount of revenue, anticipated at \$567,050, is collected, then the full amount is transferred to the reserves, and then only the portion approved in each year is transferred from the reserve.
- (10) Increased investment income anticipated based on rising interest rates, however cash balances are anticipated to decrease as capital projects are completed.
- (11) Decreased transfer from reserve required. The Sanitary Sewer department is rate supported and any excess of expenditures over revenues must be transferred from its reserve.
- (12) The capital budget is being presented separately commencing for 2023.

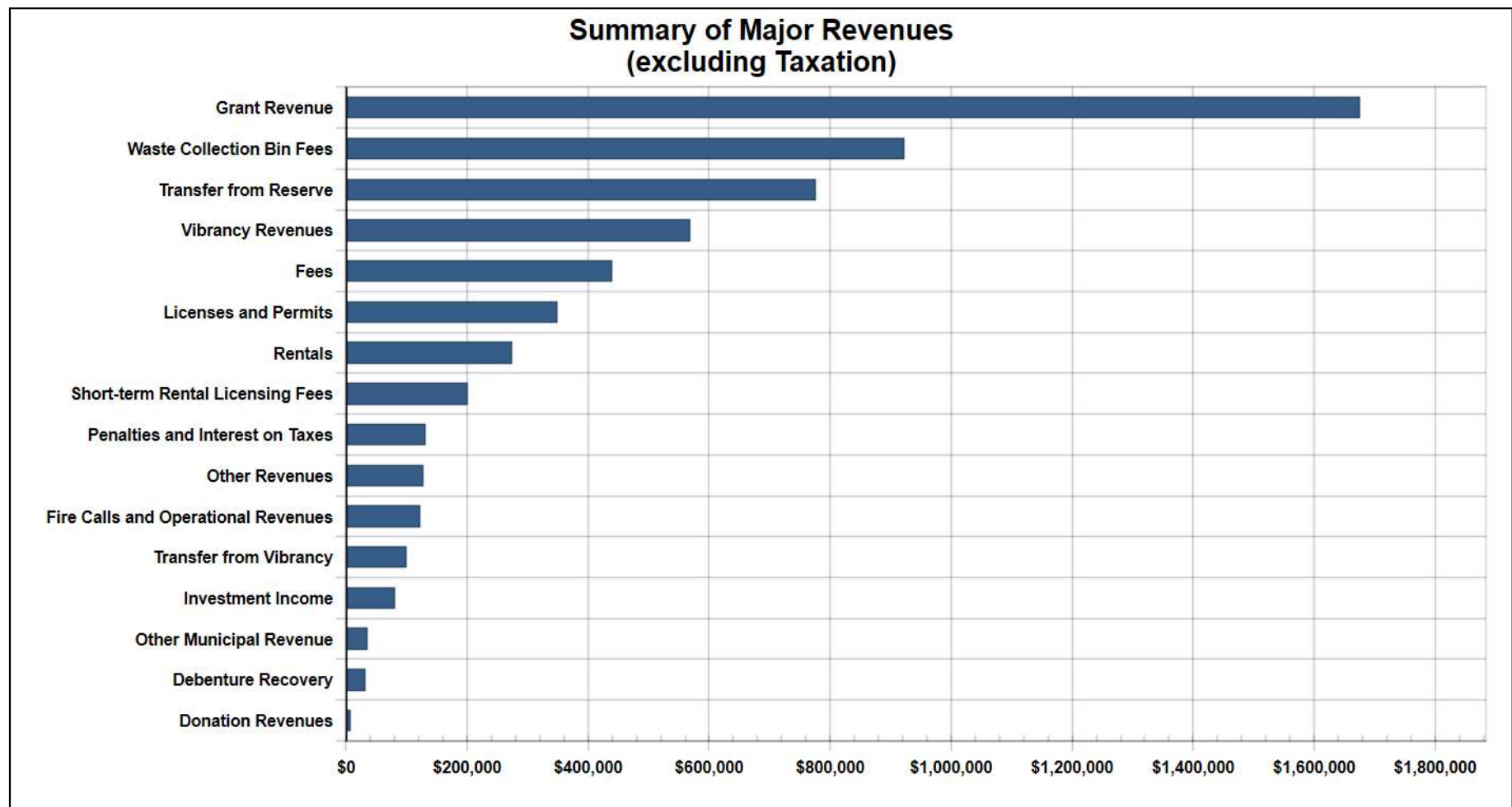
The following page includes a pie chart of the Summary of Major Revenues, and a bar chart of Major Revenues excluding Taxation.

Summary of Major Revenues

Summary of Major Revenues
(including Taxation)



Summary of Major Revenues



Schedule of Operating Expenditures

	2022 Approved Budget	2023 Provisional Budget	Budget Change		
			Dollar	Percent	Notes
General Government					
Mayor & Council	\$ 160,706	\$ 203,200	\$ 42,494	26.44%	(1)
General Government	2,316,730	2,526,478	209,748	9.05%	(2)
Total General Government	2,477,436	2,729,678	252,242	10.18%	
Protection to Persons and Property					
Fire Department	1,159,746	1,459,347	299,601	25.83%	(3)
Police Services	1,528,332	1,515,698	(12,634)	(0.83)%	
Conservation	310,431	316,966	6,535	2.11%	
Building, By-Law and Emergency	519,633	727,887	208,254	40.08%	(4)
Total Protection to Persons and Property	3,518,142	4,019,898	501,756	14.26%	
Public Works					
Roads Consolidated	3,390,595	3,414,623	24,028	0.71%	(5)
Fleet Operations	259,247	200,666	(58,581)	(22.60)%	(6)
Street Lights	166,853	166,853	-	-%	
Sanitary Sewer	1,437,745	1,644,032	206,287	14.35%	(7)
Water	2,695,997	3,040,291	344,294	12.77%	(7)
Solid Waste	964,222	1,341,692	377,470	39.15%	(8)
Total Public Works	8,914,659	9,808,157	893,498	10.02%	

Schedule of Operating Expenditures

	2022 Approved Budget	2023 Provisional Budget	Budget Change		
			Dollar	Percent	Notes
Facilities and Recreation					
Marina	122,594	182,195	59,601	48.62%	(9)
Facilities, Parks and Programs	2,586,130	2,729,518	143,388	5.54%	(10)
Total Facilities and Recreation	2,708,724	2,911,713	202,989	7.49%	
Health Services					
Cemeteries	32,026	36,043	4,017	12.54%	
Total Health Services	32,026	36,043	4,017	12.54%	
Culture, Planning and Development					
Culture, Planning and Development	553,414	592,725	39,311	7.10%	(11)
Total Culture, Planning and Development	553,414	592,725	39,311	7.10%	
Total Operating Expenditures	18,204,401	20,098,214	1,893,813	10.40%	
Total Capital Expenditures	19,724,261	-	(19,724,261)	(100.00)	
Grand Total	\$ 37,928,662	\$ 20,098,214	\$ (17,830,448)	(47.01)%	

Schedule of Operating Expenditures

Notes:

- (1) \$25,000 for strategic plan, as well as a minor increase due to COLA.
- (2) \$102,800 relates to grid movement, market check and COLA, \$68,555 for electronic and other records management (grant funded) as well as \$65,000 for an IT services review (which will only proceed if a \$40,000 grant is obtained). Increased cost of insurance and software has been offset because the prior year budget included election costs as well as a higher budget for furniture and equipment replacements.
- (3) Increase primarily due to cost of contract fire calls for Dashwood.
- (4) Increase of \$109,200 due to staffing changes approved in 2022 as well as impact of grid movement, market check and COLA. \$35,000 for tracking software for short-term rental licensing as well as increased contracted services for by-law are anticipated to be offset by licensing revenues.
- (5) Increased salaries and benefits due to grid movement, market check and COLA, increased budgeted Lakeshore Roads Grants, as well as increased fleet costs due to rising fuel prices. This has been partially offset by savings on contracted services for winter control and reduced reserve transfers for capital.
- (6) Increased recoveries from other departments to better reflect recent actuals.
- (7) Increased reserve transfers for capital.
- (8) Increased cost of contracted services for collection and recycling as well as increased transfers to reserve for post-closure costs.
- (9) Increased cost of dredging anticipated to be fully recovered.
- (10) Increased cost of salaries and benefits due to grid movement, market check and COLA, increased reserve transfers required for capital, as well as increased utility costs from rising heating fuel prices. This is slightly offset by decreased costs because the prior year budget included projects which were grant funded.
- (11) Transfer to reserve of \$100,000 for municipal portion of drain construction costs, as well as \$50,000 requested from the Heritage Committee for an update of the District Plan that will be funded through the use of Vibrancy Reserve funds. This is slightly offset by salary and benefit savings from organizational changes in 2022.

Summary of Major Expenditures

	2022		2023		Budget Change		
	Approved Budget	Percent of Total	Provisional Budget	Percent of Total	Dollar	Percent	Notes
Tax Levy Supported							
Contract Services	\$ 4,843,192	34.42	\$ 5,082,927	32.98	\$ 239,735	4.95 %	(1)
Salaries and Wages	3,583,171	25.47	3,996,210	25.93	413,039	11.53	(2)
Benefits	915,361	6.51	1,116,724	7.24	201,363	22.00	(3)
Transfer to Reserve	1,942,385	13.80	2,113,853	13.71	171,468	8.83	(4)
Materials and Supplies	1,176,564	8.36	1,204,045	7.81	27,481	2.34	(5)
External Contributions	455,156	3.23	550,466	3.57	95,310	20.94	(6)
Utilities	424,242	3.02	476,083	3.09	51,841	12.22	(7)
Fuel	254,352	1.81	337,000	2.19	82,648	32.49	(8)
Insurance	207,717	1.48	262,576	1.70	54,859	26.41	(9)
Training and Development	92,937	0.66	113,800	0.74	20,863	22.45	(10)
Audit and Legal	83,000	0.59	100,000	0.65	17,000	20.48	(11)
Rents and Financial	48,725	0.35	64,196	0.42	15,471	31.75	(12)
Debt Servicing	30,774	0.22	30,774	0.20	-	-	
Inter Municipal Purchases - External	30,037	0.21	30,037	0.19	-	-	
Intra Municipal Recoveries - Internal	(16,954)	(0.12)	(64,800)	(0.42)	(47,846)	282.21	(13)
Total Tax Levy Supported Operating	14,070,659	100.00	15,413,891	100.00	1,343,232	9.55	

Summary of Major Expenditures

	2022	Percent of Total	2023	Percent of Total	Budget Change		
	Approved Budget		Provisional Budget		Dollar	Percent	Notes
Sanitary Sewer Expenditures	1,437,745		1,644,032		206,287	14.35 %	(14)
Water Expenditures	2,695,997		3,040,291		344,294	12.77 %	(14)
Capital Expenditures	19,724,261		-		(19,724,261)		(15)
Total Expenditures	\$ 37,928,662		\$20,098,214		\$(17,830,448)	(47.01)%	

Notes:

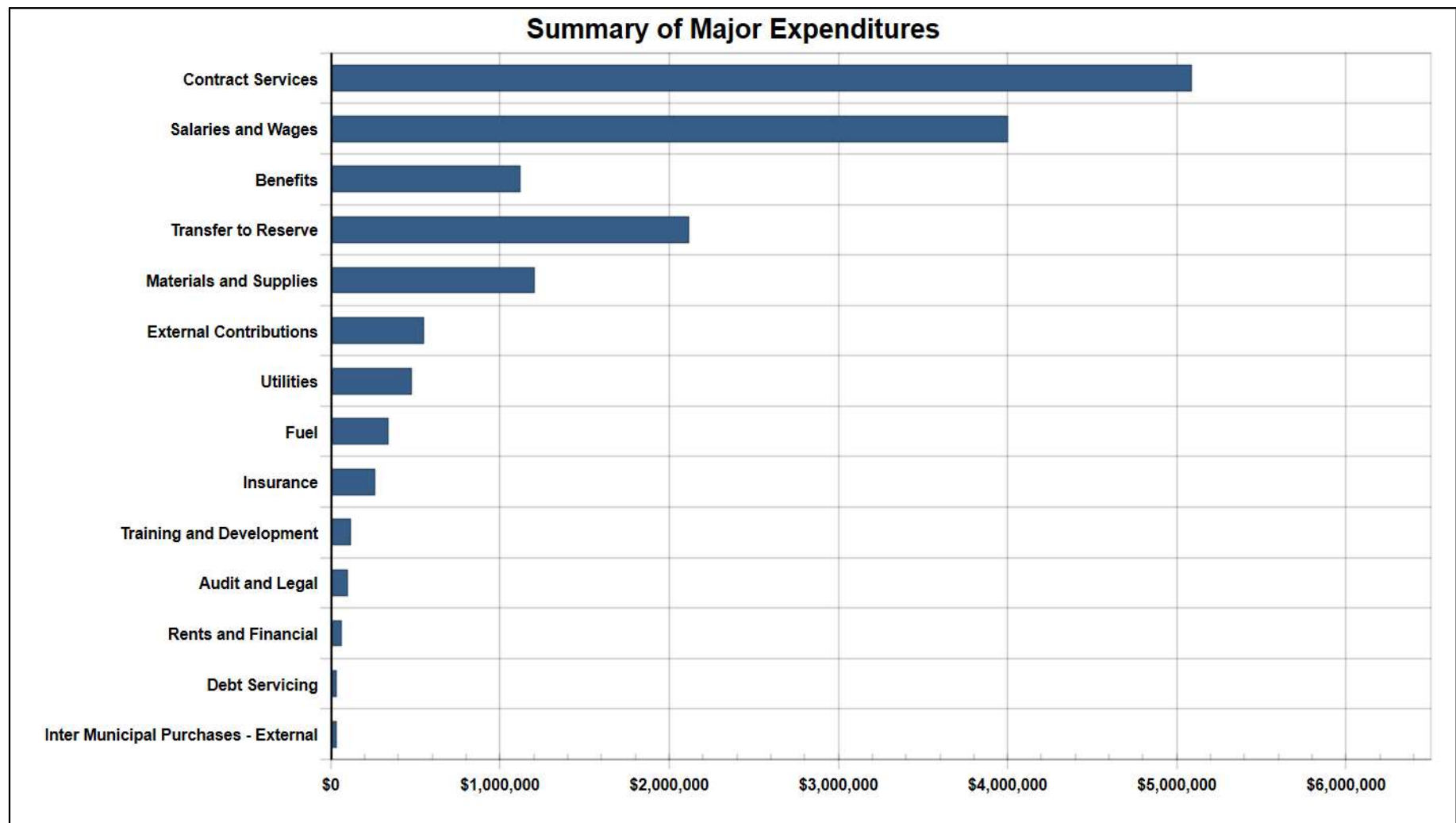
- (1) Increased cost of contract services for waste collection and recycling.
- (2) Increased salaries related to the tax levy and building department include approximately \$120,000 for grid movement and the market check, \$109,700 for COLA, \$24,000 for staffing changes within the Building Department, \$20,000 for position adjustments approved by Council in 2022, \$8,000 for firefighters including a 6.7% CPI increase, \$7,000 for change in horticultural part-time wages for Parks and Recreation, \$5,000 for a new complement in the Finance Department approved in 2022 net of other reductions, and other minor changes. An additional staff complement in the Finance Department that was approved in 2022 has been offset by a reduction in the planned overlap in the Treasurer position as well as reduced contract and part-time wages.
- (3) Increased benefit costs of \$28,000 related to the grid movement and the market check, \$23,300 related to COLA, \$28,000 for increased cost of health and dental benefits, \$26,000 for extension of OMERS to non-full-time staff (now required by OMERS), and other miscellaneous changes.
- (4) Increased reserve transfers required to fund capital as well as repay "self-funded" capital projects borrowed from reserves.
- (5) Inflationary increases net of savings found.
- (6) Increased budget for Lakeshore Road Grants.

Summary of Major Expenditures

- (7) Utility increase relates primarily to significant increase in cost of heating fuels.
- (8) Significant increase in fuel costs.
- (9) The municipality has seen increasing insurance costs in recent years, of 14% in 2021 and 20% in 2022, including an increase in cyber insurance. The budget has been updated to reflect the portion prepaid for the first half of 2023 as well as a 10% increase in costs for the second half of the year.
- (10) Additional training and development costs required, particularly for new staff.
- (11) Budget has been adjusted to better reflect recent year actuals.
- (12) Increased fees mainly related to Active Net recreational software.
- (13) Intra municipal purchases and recoveries are internal allocations of costs between departments. In total for the municipality they net out to \$Nil. The reason there is a net recovery on this page is that the Building, Water and Sewer Departments are rate supported, and the general tax levy is recovering the cost of administrative support provided to those departments. The recoveries are approximately equal to the estimates provided in the associated rate studies.
- (14) The Water and Sanitary Sewer Departments are rate supported and any excess of expenditures over revenues must be transferred from their reserves.
- (15) The capital budget is being presented separately commencing for 2023.

The following is a bar chart of Major Expenditures.

Summary of Major Expenditures



Mayor & Council

Council is an elected body that conducts regular meetings to address issues facing the municipality; representing the public and considering the well-being and interests of the municipality, including:

- Strategic direction of operations and services provided by the municipality;
- Approval and adoption of policies and programs of the municipality;
- Maintaining the financial integrity of the municipality.

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Revenues							
Other Revenues	\$ 1,509	\$ 1,435	\$ 1,500	\$ 1,500	\$ -	-%	
Transfer from Reserve	1,781	-	4,500	-	(4,500)	(100.00)%	(1)
Transfer from Vibrancy	-	-	16,000	20,500	4,500	28.13%	(1)
Total Revenues	3,290	1,435	22,000	22,000	-	-%	
Expenditures							
Salaries and Benefits	133,150	122,554	148,970	156,200	7,230	4.85%	(2)
Materials and Supplies	613	107	1,624	1,500	(124)	(7.64)%	
Training, Development and Conventions	8,333	4,513	20,500	20,500	-	-%	
Intra Municipal Purchases (Recoveries) - Internal	-	(9,951)	(10,388)	-	10,388	(100.00)%	(3)
Contract Services	-	-	-	25,000	25,000	-%	(4)
Total Expenditures	142,096	117,223	160,706	203,200	42,494	26.44%	

Mayor & Council

	2020	2021	2022	2023	Budget Change		Notes
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	
Net Levy Requirements	\$ 138,806	\$ 115,788	\$ 138,706	\$ 181,200	\$ 42,494	30.64%	

Notes:

- (1) Vibrancy funding is being grouped separately from reserve transfers for presentation purposes.
- (2) Increased cost of benefits and COLA.
- (3) Prior year budget allocated Council time to Planning Department, which has been eliminated for presentation purposes. No net impact on the levy because offsetting reduction in Planning expenditures.
- (4) Consulting services for Strategic Plan.

General Government

General Government encompasses costs for the general control and management of the municipality, including the CAO office, Corporate Services Department, and the Finance Department.

- The CAO is the most senior non-elected position at the Municipality and reports to Council. The CAO is responsible for exercising general management of the affairs of the municipality and has supervisory function over all the departments' activities through the Departmental Managers. Specific elements in this budget include human resource, economic development, legal and policy matters.
- The Corporate Services Department provides legislative and administrative support to Council and is responsible for oversight of information technology, communications, freedom of information requests, records management, emergency management, cemetery administration, municipal drain administration, marriage and lottery licensing, and accessibility.
- The Finance Department ensures that municipal finances are managed in accordance with legislative and contractual requirements and is responsible for accounting, financial reporting, liaising with external auditors, budgeting, cash management and financial forecasting, debt management and issuance of debentures, property taxation, billing and collection of receivables, payroll, benefit administration, payment of invoices, and customer service support.

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Revenues							
Supplemental Taxation	\$ 151,241	\$ 129,453	\$ 114,279	\$ 114,279	\$ -	-%	(1)
Taxation - Brucefield Water	38,160	38,160	39,432	39,500	68	0.17%	
Taxes Written Off	(263,685)	(126,304)	(97,289)	(97,289)	-	-%	
Grant Revenue - Provincial	1,543,681	1,436,417	1,410,000	1,561,055	151,055	10.71%	(2)
Grant Revenue - Federal	75,000	6,372	-	-	-	-%	
Fees	27,683	27,283	26,880	53,580	26,700	99.33%	(3)
Licenses and Permits	2,815	5,607	5,550	5,550	-	-%	
Investment Income	80,382	104,756	50,000	80,000	30,000	60.00%	(4)
Penalties and Interest on Taxes	126,504	125,810	130,000	130,000	-	-%	

General Government

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Other Revenues	657,062	1,121,702	4,950	4,950	-	-%	(5)
Transfer from Reserve	(44,663)	186,171	774,271	58,730	(715,541)	(92.41)%	(6)
Vibrancy Revenues	-	-	567,050	567,050	-	-%	(5)
Transfer from Vibrancy	-	-	-	24,350	24,350	-%	(7)
Total Revenues	2,394,180	3,055,427	3,025,123	2,541,755	(483,368)	(15.98)%	
Expenditures							
Salaries and Benefits	875,622	1,010,626	1,077,709	1,180,700	102,991	9.56%	(8)
Materials and Supplies	70,453	230,358	180,178	110,805	(69,373)	(38.50)%	(9)
Insurance	42,274	48,746	48,827	79,578	30,751	62.98%	(10)
Utilities	11,293	10,809	11,861	13,000	1,139	9.60%	
Training, Development and Conventions	9,005	8,862	17,500	24,350	6,850	39.14%	(11)
Contract Services	249,343	221,509	333,208	448,935	115,727	34.73%	(12)
Audit and Legal	63,832	67,034	53,000	70,000	17,000	32.08%	(13)
Rents and Financial	38,667	31,070	33,479	36,500	3,021	9.02%	
Intra Municipal Purchases (Recoveries) - Internal	(26,930)	(51,623)	(41,082)	(78,940)	(37,858)	92.15%	(14)
Transfer to Reserve	607,050	901,969	602,050	602,050	-	-%	(15)
External Contributions	38,160	38,160	-	39,500	39,500	-%	(13)
Total Expenditures	1,978,769	2,517,520	2,316,730	2,526,478	209,748	9.05%	

General Government

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Net Levy Requirements	\$ (415,411)	\$ (537,907)	\$ (708,393)	\$ (15,277)	\$ 693,116	97.84%	

Notes:

- (1) Supplementary/omitted taxes result from an addition, renovation, construction or class change that occurred on a property that was not previously recorded on the assessment roll. When supplementary/omitted assessment is added to the roll, additional property taxes can be collected for the current year, and if applicable, for any part of all of the two previous years as described in Section 34 of the Assessment Act. This is based on timing from the Municipal Property Assessment Corporation and is not under the control of the municipality.
- (2) 2022 Budget was Ontario Municipal Partnership Fund (OMPF), an unconditional grant of \$1,242,000, and Safe Restart COVID-19 funding of \$168,000. No further COVID funding is anticipated. 2023 Budget includes OMPF of \$1,402,500, \$68,555 efficiency funding for electronic and other records management, and \$50,000 efficiency funding for asset management planning. These efficiency projects were previously approved by Council. The budget also includes \$40,000 of funding (not yet granted) that will be sought for review of Information Technology services. If grant funding is not obtained for IT services review, the project will not proceed without an additional funding source.
- (3) Additional revenues anticipated from new fees for property tax ownership changes and new roll creation as well as mortgage company fees.
- (4) Increased interest revenues anticipated due to rising interest rates, however cash balances are expected to decrease as capital projects are completed.
- (5) Vibrancy funding from wind companies has been classified separately for presentation purposes. The total annual revenue is recorded, and is then transferred to reserves. The funds are drawn from reserves for approved operating, capital, or municipal grant expenditures.

General Government

- (6) Prior year budget included \$556,586 from property sales, which are not anticipated in 2023, \$75,000 in COVID-19 funding for related operating costs, \$40,000 in transfers from the Elections Reserve, \$35,000 in development charge funding for the background study, \$17,500 vibrancy for staff training, and \$50,185 in efficiency funding. The 2023 budgeted reserve transfers are \$8,730 transfer from the building department reserve for indirect support costs and \$50,000 in COVID-19 funding to facilitate sanitization and arrangement of Council Chambers. Efficiency funding has been grouped with Grants - Provincial for presentation purposes to align with the accounting treatment.
- (7) Vibrancy funding for staff training and development.
- (8) Increase due to grid movement, market check, and COLA. Cost of additional staff position in the Finance Department has been offset by the removal of the overlap in the Treasurer position and adjustment of part-time and contract wages.
- (9) Prior year budget included \$50,000 for election expenditures, which are not required in 2023, and \$90,000 related to furniture and equipment. Approximately \$40,000 of the furniture and equipment was purchased and \$50,000 is carrying forward to 2023. The result is a \$90,000 decrease in budget for 2023 which is partially offset due to inflation on other materials and supplies.
- (10) The municipality has seen increasing insurance costs in recent years, of 14% in 2021 and 20% in 2022, including an increase in cyber insurance. The budget has been updated to reflect the portion prepaid for the first half of 2023 as well as a 10% increase in costs for the second half of the year.
- (11) Additional training and development needed for new staff. Anticipated to be offset by vibrancy funding, if approved.
- (12) Increase due to inflation on the cost of software licenses which have increased approximately 6-10% over the prior year, as well as the addition of \$68,555 for electronic and other records management (efficiency funded as previously approved by Council) as well as \$65,000 for an IT services review (which will only proceed if a \$40,000 grant is obtained).
- (13) Budget adjusted to more accurately reflect recent year actuals. Administrative costs for Brucefield Water and equal to revenues.
- (14) Recoveries from Building Department, Water, and Sanitary Sewer based on detailed review of recoverable costs. These recoveries are approximately equal to the estimates provided in the associated rate studies.
- (15) \$567,050 vibrancy funding transferred to reserve from funds received, \$15,000 annual transfer to Elections Reserve, and \$20,000 transfer to reserve for equipment.

Fire Department

The Bluewater Fire Department is comprised of four (4) fire halls located in Bayfield, Brucefield, Hensall and Zurich. The Department has a compliment of a Fire Chief and eighty-eight (88) firefighters. The Fire Department provides fire protection services through a range of programs designated to protect the lives and property of the residents from the adverse effects of fires, exposure to dangerous conditions, created by man or nature first to the municipality, second to those municipalities requiring assistance through authorized emergency service plans and agreements and third to those municipalities requiring assistance through authorized mutual fire aid plan and program activities.

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Grant Revenue - Provincial	\$ -	\$ 6,300	\$ -	\$ -	\$ -	-%	
Other Revenues	28,211	24,250	27,152	18,000	(9,152)	(33.71)%	(1)
Donation Revenues	400	7,600	-	-	-	-%	
Fire Calls and Operational Revenues	7,559	232,432	122,222	121,600	(622)	(0.51)%	
Transfer from Reserve	17,245	744	-	153,050	153,050	-%	(2)
Transfer from Vibrancy	-	-	15,000	15,300	300	2.00%	(2)
Total Revenues	53,415	271,326	164,374	307,950	143,576	87.35%	
Expenditures							
Salaries and Benefits	256,564	275,424	311,047	481,934	170,887	54.94%	(3)
Materials and Supplies	24,176	29,914	78,115	89,450	11,335	14.51%	(4)
Insurance	24,222	26,867	33,046	32,706	(340)	(1.03)%	(1)
Utilities	23,170	23,205	28,185	35,007	6,822	24.20%	(5)
Training, Development and Conventions	17,245	744	15,300	16,300	1,000	6.54%	
Contract Services	205,519	230,966	242,053	370,950	128,897	53.25%	(6)

Fire Department

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Intra Municipal Purchases (Recoveries) - Internal	95	26,929	20,000	27,000	7,000	35.00%	(7)
Transfer to Reserve	216,730	431,784	428,000	402,000	(26,000)	(6.07)%	(8)
External Contributions	3,515	3,984	4,000	4,000	-	-%	
Total Expenditures	771,236	1,049,817	1,159,746	1,459,347	299,601	25.83%	
Net Levy Requirements	\$ 717,821	\$ 778,491	\$ 995,372	\$ 1,151,397	\$ 156,025	15.68%	

Notes:

- (1) Budget adjusted to accurately reflect expectation based on 2022 actuals.
- (2) Vibrancy funding is being grouped separately from reserve transfers for presentation purposes.
- (3) Budgeted based on average calls for last three years, as well as COLA increase of 6.7%. Some savings due to change in one-time expenditures from 2022.
- (4) General inflationary increase.
- (5) Increased cost of heating fuels anticipated.
- (6) Increase primarily due to cost of contract fire calls for Dashwood.
- (7) Intramunicipal purchases relate to fleet fuel, maintenance, and other costs. Adjusted to reflect recent year actuals as well as rising fuel costs.
- (8) Decreased transfer due to budget constraints, however increased transfers will be required in future.

Police Services

Policing in the Municipality of Bluewater is provided by the Ontario Provincial Police (O.P.P.).

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Revenues							
Other Revenues	\$ 14,836	\$ 14,888	\$ -	\$ -	\$ -	-%	(1)
Total Revenues	14,836	14,888	-	-	-	-%	
Expenditures							
Contract Services	1,582,464	1,572,792	1,528,332	1,515,698	(12,634)	(0.83)%	(2)
Total Expenditures	1,582,464	1,572,792	1,528,332	1,515,698	(12,634)	(0.83)%	
Net Levy Requirements	\$ 1,567,628	\$ 1,557,904	\$ 1,528,332	\$ 1,515,698	\$ (12,634)	(0.83)%	

Notes:

(1) The municipality receives a small amount of detachment revenues from the O.P.P., which are not budgeted due to the small amount and unpredictable nature.

(2) Budget received from the O.P.P. based on estimated costs, as well as a 2021 year-end adjustment.

Conservation

Conservation regulated enforcement, programs and assistance to the residents of Bluewater is provided by the Ausable Bayfield Conservation Authority (ABCA). Costs related to the ABCA are shared by twelve lower tier municipalities.

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Expenditures							
Contract Services	\$ 6,385	\$ 6,385	\$ 8,009	\$ 10,000	\$ 1,991	24.86%	
External Contributions	310,139	295,115	302,422	306,966	4,544	1.50%	(1)
Total Expenditures	316,524	301,500	310,431	316,966	6,535	2.11%	
Net Levy Requirements	\$ 316,524	\$ 301,500	\$ 310,431	\$ 316,966	\$ 6,535	2.11%	

Notes:

(1) Based on budget received from the ABCA.

Building, By-Law and Emergency

The Building Inspection division of the Development Services Department is responsible for administering the Ontario Building Code Act, which includes issuing permits within mandated timeframes, performing inspections, and maintaining certification to provincial standards.

The By-Law division is responsible for enforcing municipal by-laws (ie. Zoning By-law, Property Standards, Parking, Short-term Rentals, Animal Control, etc.), and includes a contract for support with a third party security provider.

Emergency Measures includes the cost of planning, training and response to emergency situations.

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Revenues							
Grant Revenue - Provincial	\$ -	\$ 2,459	\$ -	\$ -	\$ -	-%	
Fees	-	615	300	300	-	-%	
Short-term Rental Licensing Fees	-	-	-	200,000	200,000	-%	(1)
Licenses and Permits - Building Department	298,963	345,842	327,500	327,500	-	-%	
Licenses and Permits - By-Law	13,522	16,256	14,750	13,125	(1,625)	(11.02)%	
Other Revenues	2,232	2,455	2,250	2,250	-	-%	
Transfer from Reserve	45,441	77,103	102,430	249,877	147,447	143.95%	(2)
Transfer from Vibrancy	-	-	4,000	10,000	6,000	150.00%	(3)
Total Revenues	360,158	444,730	451,230	803,052	351,822	77.97%	
Expenditures							
Salaries and Benefits	275,475	332,881	362,355	472,500	110,145	30.40%	(4)
Materials and Supplies	7,780	6,426	15,396	57,700	42,304	274.77%	(5)
Utilities	1,371	2,015	2,352	2,700	348	14.80%	

Building, By-Law and Emergency

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Training, Development and Conventions	3,853	4,935	16,770	22,000	5,230	31.19%	(6)
Contract Services	60,357	60,014	102,724	136,110	33,386	32.50%	(7)
Audit and Legal	10,282	8,275	-	-	-	-%	
Intra Municipal Purchases (Recoveries) - Internal	1,463	17,022	14,299	31,140	16,841	117.78%	(8)
Inter Municipal Purchases (Recoveries) - External	4,611	1,010	5,737	5,737	-	-%	
Transfer to Reserve	12,502	16,278	-	-	-	-%	
Total Expenditures	377,694	448,856	519,633	727,887	208,254	40.08%	
Net Levy Requirements	\$ 17,536	\$ 4,126	\$ 68,403	\$ (75,165)	\$ (143,568)	(209.89)%	

Notes:

- (1) \$200,000 in licensing fees anticipated from short-term rentals, if approved by Council and passed by by-law. There are also approximately \$50,000 in additional expenditures related to this item, with net anticipated revenues of \$150,000.
- (2) The Building Department is self-funding and any surplus at year-end is transferred to its reserve while any deficit is transferred from its reserve. The Building Department is anticipated to have a \$249,877 deficit in 2023. A new building permit fee study is recommended, as the previous one was completed in 2008.
- (3) Vibrancy funding for staff training and development.

Building, By-Law and Emergency

- (4) Increased wages partially due to staffing changes approved by Council in 2022 related to the Building Department, and should be offset by building permit fees. In addition, increase due to grid movement, market check and COLA for Building, By-law and Emergency.
- (5) \$35,000 budgeted for tracking software for short-term rentals, which is anticipated to be offset by revenues.
- (6) Additional training required for staff, \$10,000 of which is anticipated to be covered by vibrancy funding, and any remaining portion related to the Building Department should be covered by building permit fees.
- (7) Increased cost of by-law enforcement anticipated.
- (8) Intramunicipal purchases relate primarily to fleet, as well as indirect costs identified in the 2008 Building Permit Fee Study.

Roads Consolidated

Roads Department operations include the maintenance and operation of 680 lane km of Municipally owned roads, forty-nine (49) structures/culverts, and nineteen (19) bridges and municipal stormwater systems.

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Revenues							
Grant Revenue - Provincial	\$ 286,380	\$ -	\$ -	\$ -	\$ -	-%	
Grant Revenue - Federal	-	-	-	50,000	50,000	-%	(1)
Fees	4,840	5,610	5,500	5,600	100	1.82%	
Other Revenues	(173,499)	26,948	10,349	10,300	(49)	(0.47)%	
Transfer from Reserve	9,597	508,513	-	4,300	4,300	-%	(2)
Transfer from Vibrancy	-	-	95,000	13,650	(81,350)	(85.63)%	(3)
Total Revenues	127,318	541,071	110,849	83,850	(26,999)	(24.36)%	
Expenditures							
Salaries and Benefits	848,788	990,672	1,150,766	1,219,200	68,434	5.95%	(4)
Materials and Supplies	506,688	268,422	518,101	547,100	28,999	5.60%	(5)
Insurance	15,099	17,928	27,435	28,643	1,208	4.40%	
Utilities	34,434	38,077	42,145	48,430	6,285	14.91%	(6)
Training, Development and Conventions	11,850	5,441	8,367	13,650	5,283	63.14%	(7)
Contract Services	420,745	964,276	761,327	555,300	(206,027)	(27.06)%	(8)
Rents and Financial	33	6	120	120	-	-%	
Intra Municipal Purchases (Recoveries) - Internal	323,017	637,039	399,100	589,000	189,900	47.58%	(9)

Roads Consolidated

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Transfer to Reserve	1,516,340	444,629	357,500	224,180	(133,320)	(37.29)%	(10)
External Contributions	224,633	121,802	125,734	189,000	63,266	50.32%	(11)
Total Expenditures	3,901,627	3,488,292	3,390,595	3,414,623	24,028	0.71%	
Net Levy Requirements	\$ 3,774,309	\$ 2,947,221	\$ 3,279,746	\$ 3,330,773	\$ 51,027	1.56%	

Notes:

- (1) Grant for Active Transportation Master Plan.
- (2) 2022 roller request of \$4,300 for Bayfield River Road Monitoring. If approved the amount would be transferred to reserve in 2022 and transferred from reserve in 2023.
- (3) Vibrancy funding for staff training and development. Prior year budget included \$90,000 transfer from reserve for the Public Works shed.
- (4) Increase due to grid movement, market check and COLA, net of some adjustments for overtime and allocations to other departments based on recent actuals.
- (5) Increase is primarily related to increased cost of gravel.
- (6) Budget for heating fuels has been increased 50% based on recent price increases, and anticipated increase in hydro costs.
- (7) Additional training required for staff and anticipated to be covered by vibrancy funding, if approved.
- (8) Decrease because the prior year budget included \$90,000 for design of the Public Works shed, and there is also a decrease in winter control costs.

Roads Consolidated

- (9) Intramunicipal purchases relate to fleet and budget has been adjusted to reflect recent year actuals.
- (10) Reserve transfer decreased due to budget constraints, however significant increases are required.
- (11) External transfers relate to Lakeshore Road Grants. Budget has been increased to reflect inflation and material costs based on kilometres.

Fleet Operations

The Fleet department operations include the repair and maintenance of the municipal fleet as utilized by the Development and Protective Services, Facilities, Fire and Public Works departments.

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Revenues							
Other Revenues	\$ -	\$ -	\$ 5,000	\$ 21,000	\$ 16,000	320.00%	(1)
Transfer from Reserve	237,586	555,922	-	-	-	-%	
Total Revenues	237,586	555,922	5,000	21,000	16,000	320.00%	
Expenditures							
Salaries and Benefits	95,357	84,517	102,791	132,700	29,909	29.10%	(2)
Materials and Supplies	129,282	162,002	152,259	152,216	(43)	(0.03)%	
Insurance	21,706	25,018	24,901	35,250	10,349	41.56%	(3)
Fuel	155,560	205,213	254,352	337,000	82,648	32.49%	(4)
Contract Services	219,772	210,501	198,343	210,000	11,657	5.88%	
Intra Municipal Purchases (Recoveries) - Internal	(395,646)	(671,850)	(473,399)	(713,000)	(239,601)	50.61%	(5)
Transfer to Reserve	-	354,600	-	46,500	46,500	-%	(6)
Total Expenditures	226,031	370,001	259,247	200,666	(58,581)	(22.60)%	
Net Levy Requirements	\$ (11,555)	\$ (185,921)	\$ 254,247	\$ 179,666	\$ (74,581)	(29.33)%	

Fleet Operations

Notes:

- (1) Anticipated proceeds on disposal of four vehicles after they have been replaced.
- (2) Increase due to grid movement, market check and COLA as well as adjusted allocation between departments based on recent year actuals.
- (3) Increasing insurance costs in recent years. The budget has been updated to reflect the portion prepaid for the first half of 2023 as well as a 10% increase in costs for the second half of the year.
- (4) Significant increase in fuel prices.
- (5) Intramunicipal recoveries are from the Fire Department, Building Department, and Facilities Department for costs of insurance, repairs, maintenance and fuel. Budget has been adjusted to reflect recent year actuals.
- (6) Transfer to reserve for capital.

Street Lights

Street light operations include the maintenance and operation of twelve (12) streetlight systems. The systems are a user pay system in which revenue received from benefiting ratepayers offsets operational expenses.

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Revenues							
Taxation Revenue - Streetlights	\$ 167,294	\$ 169,835	\$ 166,853	\$ 166,853	\$ -	-%	
Grant Revenue - Municipal	24,204	-	-	-	-	-%	
Total Revenues	191,498	169,835	166,853	166,853	-	-%	
Expenditures							
Salaries and Benefits	1,139	1,380	1,064	1,400	336	31.58%	
Materials and Supplies	22,180	19,462	7,000	10,500	3,500	50.00%	
Intra Municipal Purchases (Recoveries) - Internal	192	-	105	-	(105)	(100.00)%	
Utilities	56,030	31,496	32,552	34,000	1,448	4.45%	
Contract Services	15,574	1,797	7,000	7,000	-	-%	
Rents and Financial	-	-	-	1,500	1,500	-%	
Transfer to Reserve	96,384	115,194	119,132	112,453	(6,679)	(5.61)%	
Total Expenditures	191,499	169,329	166,853	166,853	-	-%	
Net Levy Requirements	\$ 1	\$ (506)	\$ -	\$ -	\$ -	-%	

Sanitary Sewer

Sanitary sewer operations include the operation and maintenance of over thirty-five (35) km of sanitary sewer mains, three (3) waste water treatment plants (Bayfield, Hensall & Zurich) and associated facilities and pumpstations. The operation of the Municipality's sanitary sewer system is through contract with the Ontario Clean Water Agency (OCWA).

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Revenues							
Debenture Added to Taxation	\$ 219,291	\$ 219,291	\$ 219,292	\$ 219,292	\$ -	-%	
Grant Revenue - Provincial	7,094	-	-	-	-	-%	
Fees	1,168,536	1,394,700	1,359,144	1,361,000	1,856	0.14%	
Rentals	4,480	2,240	2,240	2,240	-	-%	
Other Revenues	55,341	68,006	61,750	60,000	(1,750)	(2.83)%	
Transfer from Reserve	116,570	-	257,319	1,500	(255,819)	(99.42)%	(1)
Total Revenues	1,571,312	1,684,237	1,899,745	1,644,032	(255,713)	(13.46)%	
Expenditures							
Salaries and Benefits	69,159	77,790	101,970	133,000	31,030	30.43%	(2)
Materials and Supplies	55,989	50,702	56,173	64,506	8,333	14.83%	(3)
Insurance	11,619	12,712	13,985	18,472	4,487	32.08%	(4)
Utilities	92,555	92,253	115,301	116,043	742	0.64%	(5)
Training, Development and Conventions	-	-	400	400	-	-%	
Contract Services - Ontario Clean Water Agency (OCWA)	385,695	353,367	363,998	372,861	8,863	2.43%	
Contract Services - Other	103,866	15,950	29,000	39,500	10,500	36.21%	(6)

Sanitary Sewer

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Rents and Financial	1,792	-	-	1,500	1,500	-%	
Intra Municipal Purchases (Recoveries) - Internal	15,314	8,135	17,065	23,100	6,035	35.36%	(7)
Transfer to Reserve	343,862	783,997	520,165	761,142	240,977	46.33%	(1)
Debt Servicing	113,507	113,507	219,688	113,508	(106,180)	(48.33)%	(8)
Capital Expenditures	6,572	-	462,000	-	(462,000)	(100.00)%	(9)
Total Expenditures	1,199,930	1,508,413	1,899,745	1,644,032	(255,713)	(13.46)%	
Net Levy Requirements	\$ (371,382)	\$ (175,824)	\$ -	\$ -	\$ -	-%	(10)

Notes:

- (1) The Sanitary Sewer Department is rate supported (not funded by the tax levy) and any surplus or deficit must be transferred to/from its reserve. In addition, transfers to reserve from billings are budgeted based on the Water and Sanitary Sewer Financial Plans.
- (2) Budget has been adjusted to reflect recent year actuals as well as grid movement, market check, and COLA.
- (3) Increased cost of materials.
- (4) Increasing insurance costs in recent years. The budget has been updated to reflect the portion prepaid for the first half of 2023 as well as a 10% increase in costs for the second half of the year.
- (5) The primary utility cost for Sanitary Sewer is hydro, which has not seen significant price increases in the last year.
- (6) Increased cost of engineering and maintenance.

Sanitary Sewer

(7) Intramunicipal purchases include general administrative support costs as well as proportional share of software licensing and support.

(8) \$106,180 in borrowing costs for the Hensall Lagoon were "self-funded" and as a result the cash collected upon repayment needs to be transferred to the municipality's equity. This has been grouped with reserve transfers for presentation purposes so that only external debt is represented on the Debt Servicing line.

(9) The capital budget has been separated out for 2023 but comparative budget information is being presented for the 2022 budget to show that the budget was balanced (net levy requirement of \$Nil). The reason the prior years appear to have a surplus relates to capital revenues which are included in the actuals while the capital expenditures are minimal because they were reduced when the asset was added to the accounting subledger.

(10) The Sanitary Sewer Department is rate-supported, and net levy requirements should be \$Nil.

Water

Water operations include the operation and maintenance of over one hundred (100) km of water mains, four (4) water systems (Bluewater Lakeshore Distribution System, Hensall Distribution System, Zurich Drinking Water System, Varna Drinking Water System) and associated facilities. The operation of the Municipality's water system is through contract with the Ontario Clean Water Agency (OCWA).

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Revenues							
Debenture Added to Taxation	\$ 861,912	\$ 861,912	\$ 861,913	\$ 731,080	\$ (130,833)	(15.18)%	(1)
Grant Revenue - Provincial - OSTAR	25,554	25,001	-	25,001	25,001	-%	
Fees	1,958,275	2,089,592	2,125,896	2,179,426	53,530	2.52%	
Licenses and Permits	1,850	1,700	2,000	2,000	-	-%	
Penalties and Interest	21,400	20,541	20,500	22,200	1,700	8.29%	
Other Revenues	121,547	37,259	22,000	39,000	17,000	77.27%	(2)
Transfer from Reserve	375,215	-	-	41,584	41,584	-%	(3)
Capital Revenues	-	-	10,068,438	-	(10,068,438)	(100.00)%	(12)
Total Revenues	3,365,753	3,036,005	13,100,747	3,040,291	(10,060,456)	(76.79)%	
Expenditures							
Salaries and Benefits	118,094	117,568	134,432	184,000	49,568	36.87%	(4)
Materials and Supplies	352,325	313,845	340,248	333,748	(6,500)	(1.91)%	
Insurance	12,313	13,902	15,292	19,648	4,356	28.49%	(5)
Utilities	34,804	35,450	40,258	41,763	1,505	3.74%	(6)

Water

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Training, Development and Conventions	-	-	1,000	1,000	-	-%	
Contract Services - Ontario Clean Water Agency (OCWA)	509,471	530,874	525,419	531,435	6,016	1.14%	
Contract Services - Other	25,220	43,658	46,225	50,600	4,375	9.46%	(7)
Rents and Financial	4,301	30	300	20,250	19,950	6,650.00%	(8)
Intra Municipal Purchases (Recoveries) - Internal	23,732	14,817	39,019	41,700	2,681	6.87%	(9)
Transfer to Reserve	797,384	995,696	756,141	1,050,037	293,896	38.87%	(10)
Debt Servicing	766,106	766,106	797,663	766,110	(31,553)	(3.96)%	(11)
Capital Expenditures	(6,572)	-	10,404,750	-	(10,404,750)	(100.00)%	(12)
Total Expenditures	2,637,178	2,831,946	13,100,747	3,040,291	(10,060,456)	(76.79)%	
Net Levy Requirements	\$ (728,575)	\$ (204,059)	\$ -	\$ -	\$ -	-%	(13)

Notes:

- (1) A portion of the Bayfield Waterline Debenture, which was for five (5) years, has been repaid.
- (2) Budget has been adjusted to reflect recent increased miscellaneous revenues from items such as hook up charges and maintenance recoveries.

Water

- (3) A portion of the cost of the Zurich Water Line is being tracked separately and will be recovered from benefiting properties when the debenture is issued.
- (4) Increase relates to grid movement, COLA, the market check, and adjustments to the allocation of staff wages to reflect recent actuals.
- (5) Increasing insurance costs in recent years. The budget has been updated to reflect the portion prepaid for the first half of 2023 as well as a 10% increase in costs for the second half of the year.
- (6) The primary utility cost for Water is hydro, which has not seen significant price increases in the last year.
- (7) Increased cost of engineering and maintenance.
- (8) Costs related to equipment rentals, which have been grouped with other expenditures previously, have been separated for presentation purposes.
- (9) Intramunicipal purchases include general administrative support costs as well as proportional share of software licensing and support.
- (10) The Water Department is rate supported (not funded by the tax levy) and any surplus or deficit must be transferred to/from its reserve. In addition, transfers to reserve from billings are budgeted based on the Water and Sanitary Sewer Financial Plans.
- (11) \$31,558 in borrowing costs for the Varna Water Line were "self-funded" and as a result the cash collected upon repayment needs to be transferred to the municipality's equity. This has been grouped with reserve transfers for presentation purposes so that only external debt is represented on the Debt Servicing line.
- (12) The capital budget has been separated out for 2023 but comparative budget information is being presented for the 2022 budget to show that the budget was balanced (net levy requirement of \$Nil). The reason the prior years appear to have a surplus relates to capital revenues which are included in the actuals while the capital expenditures are minimal because they were reduced when the asset was added to the accounting subledger.
- (13) The Water Department is rate-supported, and net levy requirements should be \$Nil.

Solid Waste

Solid Waste operations encompass the regular operation of the Municipality's active landfill site being the Stanley landfill, including public waste drop-off, collection of tipping fees, and cover operations, as well as the monitoring and environmental compliance of the Municipality's inactive (Hensall Landfill) and closed (Hay Landfill) sites. Additionally, the operations include the weekly curbside collection program.

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Revenues							
Landfill Tipping Fees	\$ 173,359	\$ 181,456	\$ 209,091	\$ 160,000	\$ (49,091)	(23.48)%	(1)
Waste Collection Bin Fees	338,700	572,723	574,745	921,830	347,085	60.39%	(2)
Other Revenues	36,771	(384)	-	-	-	-%	
Transfer from Reserve	204	227,164	-	-	-	-%	
Transfer from Vibrancy	-	-	3,000	3,000	-	-%	
Total Revenues	549,034	980,959	786,836	1,084,830	297,994	37.87%	
Expenditures							
Salaries and Benefits	45,623	62,685	108,571	137,300	28,729	26.46%	(3)
Materials and Supplies	23,876	22,622	23,723	23,723	-	-%	
Insurance	731	803	770	1,789	1,019	132.34%	
Utilities	5,509	7,476	5,923	6,046	123	2.08%	
Training, Development and Conventions	204	-	3,000	3,000	-	-%	
Contract Services	782,743	917,347	796,735	1,017,334	220,599	27.69%	(4)
Rents and Financial	-	-	-	1,500	1,500	-%	

Solid Waste

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Intra Municipal Purchases (Recoveries) - Internal	3,451	2,198	1,500	-	(1,500)	(100.00)%	
Transfer to Reserve & Post-Closure Cost Adjustment	24,000	24,000	24,000	151,000	127,000	529.17%	(5)
Total Expenditures	886,137	1,037,131	964,222	1,341,692	377,470	39.15%	
Net Levy Requirements	\$ 337,103	\$ 56,172	\$ 177,386	\$ 256,862	\$ 79,476	44.80%	

Notes:

- (1) Revenue generated from Landfill tipping fees is anticipated to be reduced from that of previous years. This is due in part to the maximum waste drop off limit which was instated in 2022 and extends the remaining useful life of the landfill.
- (2) Increased fees for wheelie bins are required to offset higher costs of contracted services, as approved by Council.
- (3) Increase relates to grid movement, COLA, the market check, and adjustments to the allocation of staff wages to reflect recent actuals.
- (4) Due to the diminishing capacity of the Stanley Landfill, in September of 2022 the Municipality transitioned to weekly solid waste collection disposal at a third party facility (Twin Creeks). The additional costs for disposal at the third party facility are recovered through increased wheelie bin fees.
- (5) The Stanley Landfill is nearing its rated capacity. Based on average incoming waste projections it is anticipated that closure activities such as final cover will be commencing within the next 1-2 years, therefore it is important that funds be transferred to reserve to cover those costs that are within a short time horizon.

Marina

Marina operations include the administration, oversight and coordination of the annual harbour dredge, lease agreements and the blue flag certification. The Marina is leased to a private operator who is responsible for daily operations and maintenance.

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Revenues							
Grant Revenue - Federal	\$ 24,861	\$ 35,398	\$ 35,000	\$ 35,400	\$ 400	1.14%	
Fees	13,629	72,468	76,580	126,680	50,100	65.42%	(1)
Other Revenues	5,680	5,000	5,500	5,500	-	-%	
Transfer from Reserve	28,136	-	-	4,925	4,925	-%	(2)
Total Revenues	72,306	112,866	117,080	172,505	55,425	47.34%	
Expenditures							
Salaries and Benefits	1,715	5,092	1,350	4,100	2,750	203.70%	(3)
Materials and Supplies	257	62	-	5,800	5,800	-%	(2)
Insurance	3,405	3,803	4,468	5,019	551	12.33%	
Utilities	-	-	500	500	-	-%	
Contract Services	53,987	99,255	98,200	146,700	48,500	49.39%	(1)
Rents and Financial	13,325	13,838	13,076	15,076	2,000	15.30%	(4)
Intra Municipal Purchases (Recoveries) - Internal	665	220	-	-	-	-%	
Transfer to Reserve	5,000	5,000	5,000	5,000	-	-%	(5)
Total Expenditures	78,354	127,270	122,594	182,195	59,601	48.62%	

Marina

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Net Levy Requirements	\$ 6,048	\$ 14,404	\$ 5,514	\$ 9,690	\$ 4,176	75.73%	

Notes:

- (1) Increased cost of dredging anticipated to be fully recovered.
- (2) Budget for Blue Flag has been moved to the Marina Department for presentation purposes, but no net impact on the tax levy (decreased cost under Culture Planning and Development).
- (3) Budget adjusted to reflect recent year actuals for staff time related to the marina.
- (4) Cost of lease to Federal Government.
- (5) This is a transfer to the Marina Reserve, however with transfers from reserve of \$4,925 there is minimal net impact.

Facilities, Parks and Programs

Facilities Department operations include the administration, maintenance and safe operation of municipal facilities including arenas, community centres, libraries, halls, park amenities, sports fields, leased facilities and the municipal office. Facilities staff act as shared resources across facilities, parks and recreation, with seasonal employees added as needed.

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Revenues							
Grant Revenue - Provincial	\$ -	\$ -	\$ 113,882	\$ -	\$ (113,882)	(100.00)%	(1)
Grant Revenue - Federal	5,292	9,462	58,000	8,000	(50,000)	(86.21)%	(2)
Other Municipal Revenue	36,833	31,167	34,000	34,000	-	-%	(3)
Fees	(51)	(151)	18,250	30,250	12,000	65.75%	(4)
Rentals	275,517	221,812	280,306	273,950	(6,356)	(2.27)%	(5)
Donation Revenues	2,958	6,702	5,000	6,000	1,000	20.00%	
Other Revenues	93,966	41,894	56,800	55,202	(1,598)	(2.81)%	
Transfer from Reserve	33,407	115,295	-	68,500	68,500	-%	(6)
Transfer from Vibrancy	-	-	8,000	8,500	500	6.25%	(7)
Total Revenues	447,922	426,181	574,238	484,402	(89,836)	(15.64)%	
Expenditures							
Salaries and Benefits	798,365	766,784	1,065,071	1,206,000	140,929	13.23%	(8)
Materials and Supplies	132,456	122,098	173,981	185,450	11,469	6.59%	(9)
Insurance	52,361	58,978	66,965	77,598	10,633	15.88%	(10)
Utilities	268,513	276,249	300,600	336,400	35,800	11.91%	(11)
Fuel	497	-	-	-	-	-%	

Facilities, Parks and Programs

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Training, Development and Conventions	3,856	5,482	8,000	8,500	500	6.25%	
Contract Services	334,172	259,820	494,760	361,400	(133,360)	(26.95)%	(12)
Audit and Legal	2,175	-	5,000	5,000	-	-%	
Rents and Financial	1,903	1,928	2,050	9,500	7,450	363.41%	(13)
Intra Municipal Purchases (Recoveries) - Internal	53,393	57,111	40,000	58,000	18,000	45.00%	(14)
Transfer to Reserve	435,768	504,987	406,703	470,670	63,967	15.73%	(15)
External Contributions	30,185	14,941	23,000	11,000	(12,000)	(52.17)%	(16)
Total Expenditures	2,113,644	2,068,378	2,586,130	2,729,518	143,388	5.54%	
Net Levy Requirements	\$ 1,665,722	\$ 1,642,197	\$ 2,011,892	\$ 2,245,116	\$ 233,224	11.59%	

Notes:

(1) Prior year budget included grant funding for the Recreation Master Plan and Facility Management Software (with associated expenditures). No operating grants received for 2023 to date.

(2) Prior year budget included grant funding for Building Condition Assessments (FCM Funding), and that project is complete. 2023 Budget is for two summer students (Canada Summer Jobs).

(3) Municipal Library Grant provided by Huron County to help offset costs in maintaining the Hensall, Zurich and Bayfield Libraries.

Facilities, Parks and Programs

- (4) Significant increase in Summer Day Camp Program revenues in 2022, with the same anticipated for 2023.
- (5) Includes revenue from pavilions, ball diamonds, ice surfaces and community centres. Decrease relates to ice surface revenue, to better reflect recent actuals, which have not recovered to levels seen prior to COVID-19. All other facility rentals saw increases over the 2022 budgeted amount.
- (6) COVID-19 funding to offset lost revenues in ice rentals, cleaning and sanitation supplies, and a Health and Safety audit.
- (7) Vibrancy funding for staff training.
- (8) Increase due to grid movement, market check and COLA, as well as approximately \$7,000 for a change in the seasonal summer plant waterer position to a horticultural specialist.
- (9) Increase due to inflation.
- (10) The budget has been updated to reflect the portion prepaid for the first half of 2023 as well as a 10% increase in costs for the second half of the year.
- (11) Increased cost of heating fuels, water and sewer.
- (12) Decrease because the prior year budget included one-time implementation costs for projects including facility management software, building condition assessments and recreation master plan, which had offsetting grant funding.
- (13) Increase due to Active Net processing fees.
- (14) Intramunicipal purchases relate to fleet fuel, maintenance, and other costs. Adjusted to reflect recent year actuals as well as rising fuel costs.
- (15) Reserve transfers of \$118,886 to Water/Sewer Reserve Funds for the final year of repayment of the Zurich Arena Loan, \$1,000 for Friends of Hay Town Hall based on donations, \$35,000 to BFIT Reserve, \$50,347 to the Fleet Reserve, with the remaining transfers to the Rec & Park Reserve for Contingency in the amount of \$40,000 for Lake Access Stair Repair, \$128,152 for Hensall Arena Floor and Dressing Room, and \$97,285 for other facility capital projects.
- (16) Discounts provided to service clubs. Budget decreased to better reflect recent actuals.

Cemeteries

Cemetery Operations include the maintenance and operation of three active cemeteries, being the Bayfield, Bronson, and Calvary United Cemeteries, including burials, and grounds. There are also seven (7) inactive cemeteries where grounds maintenance is performed.

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Revenues							
Fees	\$ 22,225	\$ 19,480	\$ 15,500	\$ 18,200	\$ 2,700	17.42%	
Other Revenues	4,306	3,998	4,004	4,000	(4)	(0.10)%	
Transfer from Reserve	-	711	2,000	1,000	(1,000)	(50.00)%	
Transfer from Vibrancy	-	-	-	1,000	1,000	-%	
Total Revenues	26,531	24,189	21,504	24,200	2,696	12.54%	
Expenditures							
Materials and Supplies	291	-	1,110	1,050	(60)	(5.41)%	
Insurance	1,366	1,514	1,305	1,993	688	52.72%	
Training, Development and Conventions	-	711	1,000	1,000	-	-%	
Intra Municipal Purchases (Recoveries) - Internal	19,319	19,743	20,611	22,000	1,389	6.74%	
Contract Services	12,733	6,825	8,000	10,000	2,000	25.00%	
Total Expenditures	33,709	28,793	32,026	36,043	4,017	12.54%	
Net Levy Requirements	\$ 7,178	\$ 4,604	\$ 10,522	\$ 11,843	\$ 1,321	12.55%	

Culture, Planning and Development

The Planning division of Development Services assists the public regarding land development within the municipality, including zoning by-law and development including minor variances, zone amendments, site plan control agreements, consents/severances, and development of subdivisions.

The Heritage Committee is a committee of Council with statutory duties set out by the Ontario Heritage Act, and advises on planning elements relating to heritage properties and properties within the Bayfield Heritage Conservation District.

The municipality is responsible for the municipal drainage system and maintenance and repair of that system in accordance with the Drainage Act. Costs associated with maintenance and repair of a municipal drain or the development of a new municipal drain are recovered from the benefiting property owners in the watershed of the municipal drain. Municipal drains are established by municipal by-law and based on an engineer's report.

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Revenues							
Grant Revenue - Provincial	\$ 33,937	\$ -	\$ 18,000	\$ 20,000	\$ 2,000	11.11%	(1)
Debenture Recovery	45,889	35,068	30,774	30,774	-	-%	(2)
Fees	61,585	80,155	40,500	45,000	4,500	11.11%	(3)
Licenses and Permits - Planning	298	1,754	1,575	1,575	-	-%	
Other Revenues	2,540	4,068	3,750	3,250	(500)	(13.33)%	
Donation Revenues	3,364	-	-	-	-	-%	
Transfer from Reserve	172,620	68,760	138,925	234,000	95,075	68.44%	(4)
Transfer from Vibrancy	-	-	-	2,500	2,500	-%	(5)
Total Revenues	320,233	189,805	233,524	337,099	103,575	44.35%	
Expenditures							
Salaries and Benefits	95,475	98,739	168,838	120,900	(47,938)	(28.39)%	(6)
Materials and Supplies	11,827	11,956	25,202	18,751	(6,451)	(25.60)%	(7)

Culture, Planning and Development

	2020	2021	2022	2023	Budget Change		
	Actual	Actual	Approved Budget	Provisional Budget	Dollar	Percent	Notes
Training, Development and Conventions	-	-	2,500	4,500	2,000	80.00%	(8)
Contract Services	264,101	55,736	264,500	268,500	4,000	1.51%	(9)
Legal	(411)	20,525	25,000	25,000	-	-%	
Intra Municipal Purchases (Recoveries) - Internal	619	218	12,300	-	(12,300)	(100.00)%	(10)
Inter Municipal Purchases (Recoveries) - External	32,016	59,432	24,300	24,300	-	-%	(11)
Transfer to Reserve	68,184	10,375	-	100,000	100,000	-%	(12)
External Contributions	56,124	22,598	-	-	-	-%	(13)
Debt Servicing - Municipal Drain and Tile Drainage	38,926	35,068	30,774	30,774	-	-%	
Total Expenditures	566,861	314,647	553,414	592,725	39,311	7.10%	
Net Levy Requirements	\$ 246,628	\$ 124,842	\$ 319,890	\$ 255,626	\$ (64,264)	(20.09)%	

Notes:

- (1) Drainage superintendent grant.
- (2) Tile drain loan recovery.
- (3) Planning fees shared with Huron County.

Culture, Planning and Development

- (4) \$7,000 reserve transfer for economic development; \$2,000 for planning, \$225,000 to offset cost of municipal portion of drain construction when projects complete and billed out.
- (5) Vibrancy for staff training.
- (6) Decrease due to organizational changes approved by Council in 2022, offset by increases from grid movement, market check and COLA.
- (7) Decrease because Blue Flag costs were moved to Marina Department, no net change to tax levy.
- (8) Addition of \$2,000 training for Heritage Committee.
- (9) This line includes \$225,000 for the municipality's portion of drain construction costs when projects are complete and billed out. \$4,000 increase in professional services related to municipal drains. In addition, the Heritage Committee requested an increase of \$15,000 for professional heritage technical advice.
- (10) Prior year budget allocated Council time to Planning Department, which has been eliminated for presentation purposes. No net impact on the levy because offsetting increase in Council expenditures.
- (11) Planning services supplied by the County.
- (12) \$100,000 annual contribution to Drain Reserve for municipality's portion of drains. \$40,000 request from Heritage Committee (requested for two years for a total of \$80,000) for an update of the District Plan.
- (13) Prior year expenditures relate to the Community Grants funded by Vibrancy, and the budgeted expenditure and associated revenues will be adjusted after approval by Council.