



# The Corporation of the Municipality of Arran-Elderslie

## Staff Report

Council Meeting Date: February 26, 2024

Subject: SRFIN.24.03 Third Draft and Final 2024 Operating and Capital Budget

Report from: David Munro, Interim Treasurer

Appendices: **Schedule A** – Municipal Services by Department

**Schedule A.1** – Municipal Services Consolidated Summary

**Schedule D** – Grant and Donation Requests

**Schedule E** – Capital Budget

---

### **Recommendation**

Be It Resolved that Council hereby,

1. Approves the Third Draft and Final 2024 Operating and Capital Budget;
2. Adopts a by-law for the Budget for tax purposes for 2024; and
3. Directs staff to prepare a by-law to adopt the 2024 Tax Rate upon approval of the County of Bruce Budget and Tax Rate.

---

### **Report Summary**

A special Council meeting was held on February 6, 2024 to review the second Draft 2024 Operating and Capital Budget. All issues raised at that meeting have been addressed in this report and, where appropriate, have been included in the third draft of the Budget.

Staff recommends the approval and adoption of this final 2024 Operating and Capital Budget.

---

## **Background**

Section 290 for the *Municipal Act*, 2001, S.O. 2001, c.25 defines the requirements for a local Municipality:

- ✓ For each year, a local Municipality shall, in the year or the immediately preceding year, prepare and adopt a budget including estimates of all sums required during the year for the purposes of the Municipality, including:
- ✓ Amounts sufficient to pay all debts of the Municipality falling due within the year;
- ✓ Amounts required to be raised for sinking funds or retirement funds; and
- ✓ Amounts required for any board, commission, or other body.

The Act further defines what shall be included in the budget, such as estimated revenues from taxation levy, reserve transfers, estimated expenses, and prior year surplus or deficits.

---

## **Analysis**

The changes between second and third and final draft are detailed below.

### **Operating Budget**

- ✓ \$63,693 added by changing local tax rate increase from 6% to 7%. This amount will be transferred to our Bridge reserve (to increase transfer to Bridge reserve from \$239,525 to \$303,218).
- ✓ \$10,000 added to Doctor Recruitment 2024 expense as one doctor is in final year which is higher than previous year and \$10,000 added to transfer from reserves.

### **Grants and Donations**

The staff proposed amounts in second Draft have been changed based on input from the Feb 6<sup>th</sup>, Special Council meeting and incorporated into **Schedule D** – Grant and Donation Requests – revised Feb 26, 2024. Changes from second to the third and final are:

- ✓ Changed Bruce County Heritage Association to \$0.
- ✓ Changed Chesley Hospital Foundation to \$0. Note, the \$10,000 awarded in 2023 to Chesley Hospital Foundation was not spent and will be put in a reserve for future.

This budget will be increased by \$1,127 to balance the budget and leave \$1,000 for any balance of year requests.

The overall transfer to reserves will be reduced by \$1,127 and the Operating Budget is balanced.

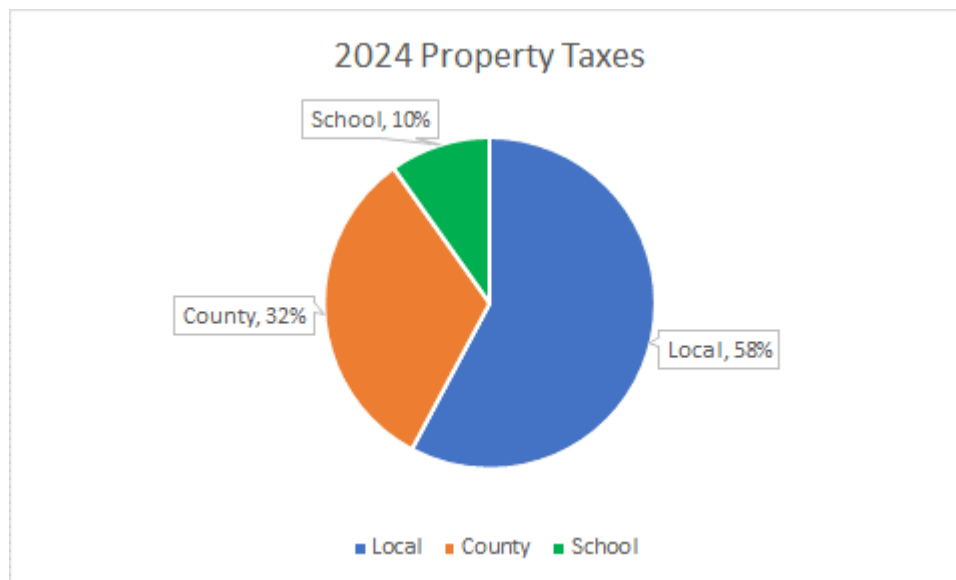
## Capital Budget

- ✓ The changes between second and third and final drafts are detailed below:  
These changes have been incorporated into **Schedule E** – Capital Budget – revised Feb 26 2024
- ✓ Reduced 24-RECC-0046 Chesley Park Island Rehabilitation from \$100,000 to zero for 2024. In 2024, staff will develop options for this project and bring these options to Council for consideration.
- ✓ Changed 24-RECC-0048 to be funded \$4,000 from Donations and \$10,000 from Reserves

## Property Taxes

Local tax rates increase by 7%. County proposed tax rate increase is 6.16%. School tax rates are same as last year. This all adds to a blended tax increase of 6% and the average household tax will increase by \$150 per year (based on the average assessment of \$173,669).

Property Taxes	Local	County	School	Total
2022	\$1,349	\$748	\$261	\$2,358
2023	\$1,430	\$806	\$261	\$2,497
2024	\$1,530	\$856	\$261	\$2,646
2024 over 2023 \$	\$100	\$50	\$0	\$150
2024 over 2023 %	7.00%	6.16%	0.00%	6.00%



## **Doctor Recruitment**

The 2024 go-in reserve is \$0.40. In 2024, we will add \$7,888 to the reserve then withdraw \$30,000 to pay two doctors as per previous agreements. We will need to move the difference (\$22,112) from our Chesley Clinic reserve.

In 2025, we need \$20,000 to pay one doctor as per previous agreements. This will be funded by our 2025 budget. This will complete our previous agreements.

Meetings are currently being held between Arran-Elderslie and the Physician Recruitment Committee to discuss funding additional doctor recruitment for future years.

Staff recommend that when a doctor recruitment agreement is finalized, any payment in that year comes out of reserves and future year budgets incorporate the amounts due as per each agreement.

---

## **Link to Strategic/Master Plan**

### 6.4 Leading Financial Management

The management team, in preparation of their respective budgets, have considered the plans governing their areas, including:

- ✓ Asset Management Plan
- ✓ Economic Development Strategic Plan
- ✓ Fire Master Plan
- ✓ Recreation Master Plan
- ✓ Water Financial Plan
- ✓ Sewer Financial Plan

---

## **Financial Impacts/Source of Funding/Link to Procurement Policy**

2024 third and Final Budget has an operating budget that is balanced using a 7% increase to the 2023 local tax rates.

---

Approved by: Sylvia Kirkwood, Chief Administrative Officer