

THE CORPORATION OF THE TOWN OF KEARNEY

By-law No. 2024-18

**Being a By-law to provide for the
Adoption of the 2024 Budget**

WHEREAS the *Municipal Act Chapter 25 S.O. 2001* Section 290 provides that 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

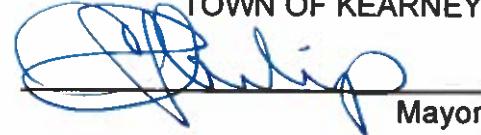
- (a) amounts sufficient to pay all debts of the municipality falling due within the year;
- (b) amounts required to be raised for sinking funds or retirement funds; and
- (c) amounts required for any board, commission or other body;

NOW THEREFORE the Council of the Corporation of the Town of Kearney hereby enacts as follows:

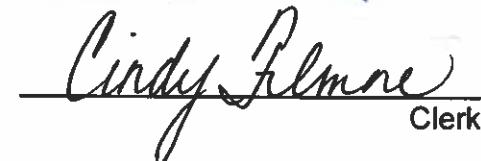
1. That Appendix 'A' attached hereto be hereby adopted as the Budget for 2024;
2. That this 2024 Budget may be amended from time to time by a Resolution of Council with appropriate Notice having been given;
3. That this By-law shall come into full force and effect on the date of final passing.

READ A FIRST AND SECOND AND THIRD TIME, passed, signed and the Corporate Seal attached hereto, this 9th day of May, 2024.

THE CORPORATION OF THE
TOWN OF KEARNEY



Mayor



Clerk

Appendix 'A'
to By-law 2024-18

The Corporation of the Town of Kearney

Budget 2024

See attached

A	B	C	D	E	F	G	H	I
1	TOWN OF KEARNEY							
2	2024 Draft Budget							
3	May 9, 2024							
5	Account #	Description	2022 Actual	2023 Projected	2023 Budget	2024 Draft Budget	Budget Increase (Decrease) vs. 2023 Projected	Comments
6								
7	REVENUES							
8	Net Taxation Revenue							
9	020-001	Tax Levy - Set-up Taxes (includes payments in lieu of taxes 020-003)	4,023,594	4,256,038	4,256,043	4,596,666	340,628	Represents a 6.0% increase over OPTA's adjusted 2023 levy of \$4,336,477. This falls short of the net income from operations target for the year (see row 379), and also results in a decline in net income from operations compared to the 2023 budgeted level.
10	020-001	Tax Levy - Set-up Taxes- area rating	2,663	2,649	2,663	2,649	0	
12	020-002	Supplementary Taxes	13,821	157,631	15,000	15,000	(142,631)	
13	032-060	Property Tax Write-offs	(2,558)	(15,415)	(12,500)	(12,500)	2,915	
14	020-201	Education Levy - English Public	(559,957)	(587,121)	(566,600)	(578,208)	8,913	
15	020-202	Education Levy - French Public	(3,258)	(3,039)	(3,050)	(2,889)	150	Total school board levy and distribution among boards known.
16	020-203	Education Levy - English Separate	(34,644)	(34,481)	(34,508)	(34,395)	86	
17	020-204	Education Levy - French Separate	(7,680)	(7,452)	(7,478)	(7,316)	136	
18		Sub-total	3,431,982	3,768,809	3,649,570	3,979,007	210,198	
19								
20		Operating Grants						
21	021-001	Mun. Support - OMPF	701,900	735,400	735,400	720,600	(14,800)	Per notification.
22	021-006	MMAH Small Rural Municipality unconditional grant	-	-	-	-	-	One-time grant - 2019.
23	021-007	Safe Restart (COVID-19) Funding - operating funding	-	-	-	-	-	
24	021-003	Summer Students Grants	-	-	-	-	-	
25	021-008	FCM Asset Management Grant	-	-	-	-	-	
26	021-023	OPP Detachment Revenue	1,772	1,657	1,540	1,460	(197)	3-year average
27	021-401	Fire Safety Grant	-	-	-	-	-	
28	021-421	Provincial Offences Act Revenue	3,477	5,128	1,000	5,170	42	3 year average
29	021-422	CSPT-prisoner transportation	1,142	1,098	1,109	1,071	(27)	Per notification Feb 7/24.
30	021-423	OCLIF (Cannabis) funding	4,171	3,872	3,289	500	(3,372)	Balance available for qualifying expenditures in 2024 = 3,300. Use for by-law cannabis patrols.
35	021-502	Aggregate Resources Trust	2,923	3,299	3,290	224	(3,075)	Actual 2024.
36	021-504	OMAFRA Capital Asset Management Grant/OCIF Formula Component Grant				13,000	13,000	Apply to costs related to required update of AMP including OSIM inspection and contracted accounting.

	A	B	N	O	P	Q	R	T
5	Account #	Description	2022 Actual	2023 Projected	2023 Budget	2024 Draft Budget	Budget Increase (Decrease) vs. 2023 Projected	Comments
37	021-601	Recycling/Hazardous Waste Grants	79,075	96,350	96,227	83,688	(12,662)	The Kearney catchment area is moving to full producer responsibility in 2025. Expect last blue box payments to be received by Kearney in 2025, based on 2023 Datacall. Budget based on blue box per notification (82,188); electronics (1,500).
38	021-711	Elderly Persons Operating Grant	11,225	12,825	12,825	13,375	550	
39	021-712	Elderly Persons Special Grant	6,741	-	8,738	8,738	8,738	Approved 23/24 grant ending March 31/24.
41	021-724	Senior's Active Living Fair Grant	-	-	-	2,500	2,500	To be used for Active Living Fair in March 2024.
43	021-821	Provincial Water Works Grant	944	106	-	-	(106)	Withdrew from program in 2023.
44	021-901	NOHFC - Intern	-	30,962	30,962	4,038	(26,924)	Balance of Communications and Public Relations coordinator grant.
47		Sub-total	811,753	890,697	894,380	854,364	(36,333)	
48		User Fees						
49	022-321	Tax Certificates	1,950	1,800	2,610	2,260	460	3-year average
50	022-322	Fax & Photocopy Revenue	203	662	200	290	(372)	3-year average
51	022-324	Tax Sale Fees & Proceeds	-	-	-	-	-	Budget depends on number of tax sales expected to be completed in 2024 (currently 12 potential).
52	022-401	Fire Department Miscellaneous Revenue	350	17,185	1,670	6,000	(11,185)	E.g., burning/false alarm fines, MTO response revenue. Increase in 2023 re false alarms at one property, which is not expected to be repeated.
53	022-441	Bldg Dept - Zoning Compliance	2,100	2,461	2,190	2,290	(171)	3-year average
54	022-442	Bldg Dept -Abandoned Permits	5,038	7,347	3,460	5,040	(2,307)	3-year average
55	022-443	Bldg Dept -Special Inspections	400	200	400	470	270	3-year average
56	022-491	911 Civic Number Signs	935	400	840	1,080	680	3-year average
58	022-601	Transfer Station Tipping Fees/Other (scrap metal) Revenue	30,118	36,577	24,910	30,420	(6,157)	3-year average
60	022-811	Kearney Dog Sled Races Revenue	-	25,028	25,027	28,942	3,914	2024 actual.
61	022-812	Regatta/Fireworks Revenue	23,119	22,508	24,000	23,000	492	Based on 2023 actual revenue
62	022-813	Recreation Programs	2,297	213	750	9,000	8,787	Fitness classes/kid's baseball
63	022-814	Swim Programs	-	-	960	-	-	If offered, program will be contracted.
64	022-821	KCC Revenue	4,868	3,915	4,000	4,000	85	KCC committee revenue re fundraising
65	022-841	Art Show Revenue	222	8,098	6,000	8,100	2	Based on 2023 actual revenue
66	022-901	Planning Revenue	13,525	9,600	10,690	12,000	2,400	3-year average
67	027-001	By-Law Enforcement Revenue (fines)	-	-	-	4,000	4,000	YTD as of April 9/24 \$3,545.
68		Sub-total	85,126	135,994	107,707	136,892	898	
69		Licenses/Permits						
70	023-001	Lottery License Revenue	498	2,548	3,000	1,130	(1,418)	3-year average
71	023-002	Trailer Permits Revenue	2,920	2,520	3,000	3,130	610	3-year average
72	023-003	Marriage Licence Revenue	875	125	900	130	5	Based on 2023 actual revenue.
73	023-004	Encroachment Revenue	200	200	200	200	-	Based on 2023 actual revenue.
74	023-401	Fire Permits and Inspection Revenue	6,368	6,958	6,500	6,960	2	Based on 2023 actual revenue.

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S	Account #	Description	2022 Actual	2023 Projected	2023 Budget	2024 Draft Budget	Budget Increase (Decrease) vs. 2023 Projected	Comments
75	023-441	Building Permits Revenue	257,060	188,957	187,000	190,310	1,353	3-year average.
76	023-461	Dog Tag Revenue	59	247	200	250	3	Based on 2023 actual revenue.
77	023-501	Entrance Permit Revenue	6,050	1,050	5,080	3,770	2,720	3-year average
78		Sub-total	274,031	202,605	205,880	205,880	3,275	
79		Rental Income						
80	024-821	Community Hall - Gym Rentals	100	602	-	5,000	4,398	
81	024-822	Seniors Lounge	1,065	111	200	1,000	889	Adjusted based on YTD March 20, 2024
83		Sub-total	13,316	713	200	6,000	5,287	
84		Donations						
85	025-001	General Donations (operating portion)	-	1,009	-	-	(1,009)	2023 = donations to kid's baseball.
86	025-501	Scarborough School Board Donation	10,899	11,542	11,542	11,935	393	In recent years, annually increased by CPI. 2023 CPI = 3.4%.
87		Sub-total	10,899	12,552	11,542	11,935	(617)	
88		Interest						
89	026-001	Bank Interest	108,503	214,099	185,000	163,000	(51,099)	KCU rate of 6.2% until end of May; 5.2% thereafter.
90	026-002	Interest On Taxes	35,106	52,112	51,500	58,500	6,388	Budget based on 2023 revenue adjusted for relative 2024 vs 2023 tax arrears opening balances.
91		Sub-total	143,610	266,211	236,500	221,500	(44,711)	
92		Sales and Miscellaneous Revenue						
95	027-811	Centennial Committee Revenue	-	140	20	100	(40)	
96	028-001	Miscellaneous revenue	12,782	28,793	2,700	2,500	(26,293)	Debit card charges, NSF fees, sale of shore road allowance. Shore road allowance sales are not budgeted nor is the equivalent transfer to the recreation and culture reserve. 2023 SRA = 26,515.
97		Sub-total	12,782	28,933	2,720	2,600	(26,333)	
98								
99		TOTAL REVENUES	4,783,498	5,306,513	5,108,499	5,418,178	111,665	
100								
101		EXPENDITURES						
102		GENERAL GOVERNMENT						
103		Council Expenditures						
104	030-001	Council - Honorariums	44,000	49,050	49,050	55,500	6,450	Current council at current rates. Excludes portion of honorarium to be donated to KWEF.
105	030-010	Council EHT & CPP	858	957	960	1,320	363	
106	030-020	Council - Sundry Expenses	2,602	2,348	2,750	4,000	1,652	GoTo meetings, misc purchases, staff appreciation lunch.
107	030-035	Council - Insurance	1,521	1,367	1,367	1,135	(232)	Per final insurance distribution.
108	030-040	Council - Training, Dues & Mileage Expense	1,174	7,511	11,400	7,500	(11)	ROMA, DPSMA, AMO
109	030-050	Council - Donations	1,200	3,435	3,850	6,115	2,680	KWEF (\$5,700) from council honorarium plus 2023 Food Bank (\$415).

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5	Account #	Description	2022 Actual	2023 Projected	2023 Budget	2024 Draft Budget	Budget Increase (Decrease) vs. 2023 Projected	Comments
110			Sub-total	51,354	64,668	69,377	75,570	10,902
111		Election Costs						
112	031-020	Election Expenses	18,973	2,449	2,304	2,450	1	DataFix/Voterview annual cost (resolution 8-23) plus Cda Post bulk return mail fee.
113			Sub-total	18,973	2,449	2,304	2,450	1
114		Administration wages and benefits						
115	032-001	Administration wages and benefits	332,782	410,851	459,000	556,000	145,149	Existing staff plus full-time treasurer and admin assistant commencing June.
	032-701	Unfunded sick leave liability	1,677	4,991	-	-	(4,991)	Decrease (increase) in estimated liability is included in actual wages and benefits. Funded in future years so no need to budget.
117	032-056	Human resources consultant	-	-	-	20,982	20,982	Treasurer recruitment (19,500 + tax)
118	032-002	Years of Service Awards-all departments	493	-	-	750	750	For Staff in Years 2023 and 2024
120	032-003	Recognition Awards-all departments	1,000	-	-	-	-	
121			Sub-total	335,952	415,842	459,000	577,732	161,890
122		General Government Operating Expenses						
123	032-020	Office Postage, Supplies and Sundries	10,097	14,486	10,730	12,800	(1,686)	2023 less chair purchase (2,112), inflated.
	032-023	Computer and Equipment Maintenance	33,859	42,888	39,200	45,000	2,112	Account includes internet (Bell and Starlink), Munisoft/Paymate/GoDaddy/Office/ Dropbox licenses, Global Terminals, website contract, photocopier supplies/contract and computer/telephone maintenance and repairs.
125	032-025	CGIS Expenses	12,457	11,818	11,586	13,275	1,457	Existing CGIS layers plus Scoop Imagery + 1,000 for new internal communication layer.
126	032-026	Advertising	298	3,042	2,000	2,500	(542)	
127	032-027	Association Dues	4,618	4,338	4,773	5,040	702	ytd +458 treasurer AMCTO + outstanding recurring memberships.
128	032-030	Telephone	5,788	6,030	5,800	4,225	(1,805)	Assuming Bell switched to new system for all locations commencing April.
129	032-031	Hydro	4,788	7,252	4,420	7,485	233	Inflationary increase over 2023.
130	032-035	Insurance - Administration	47,965	57,771	57,771	62,677	4,906	Per final insurance distribution.
131	032-036	Insurance - Deductible	-	15,000	25,000	15,000	-	Contingency for developing issues.
132	032-040	Training & Professional Development	2,021	6,054	5,000	10,000	3,946	Includes treasury and administration professional development.
133	032-050	Property Assessment	56,389	56,049	56,049	56,845	796	Per levy notification.
134	032-051	Contracted Services -Legal/Title Searches	84,759	57,822	50,000	50,000	(7,822)	
	032-057	CUPE Negotiation Costs - Legal/other	221	10,591	20,566	50,000	39,409	CUPE negotiations started in 2023 & expected to be completed in 2024. Cost of previous negotiations = \$43,500.
137	032-058	UFCW Negotiation Costs - Legal/Other	307	10,506	16,389	1,500	(9,006)	Contract renegotiated in 2023.

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5	Account #	Description	2022 Actual	2023 Projected	2023 Budget	2024 Draft Budget	Budget Increase (Decrease) vs. 2023 Projected	Comments
139	032-053	Auditor	18,653	21,064	20,585	22,769	1,705	Based on 2024 quote. Budget <u>excludes</u> additional quote re preparation of FIR and financial statements if required (8,493). This work budgeted to be done by the contracted accountant for 2024.
140	032-054	Contracted Accounting	33,356	38,295	45,000	35,100	(3,195)	Known requirements to start of new treasurer plus 2 week contingency to assist treasurer/AMP update.
143	032-063	Adjustments for allowance for doubtful tax arrears	945	(945)	(945)	-	945	Typically no requirement to budget.
144	032-065	Bank Charges & Interest	2,589	2,551	3,000	2,570	19	Bank charges and late payment fees: 2-year average.
145	032-100	Mileage Expenses	48	75	700	100	25	Primarily re bank deposits.
146	032-802	Land Exchange	271	-	-	-	-	N/A in 2024
147		Sub-total	319,428	364,686	377,624	396,886	32,200	
148		SUB-TOTAL GENERAL GOVERNMENT	725,706	847,645	908,305	1,052,638	204,994	
149		PROTECTION						
150		Policing						
151	042-020	Policing	310,440	301,308	301,307	302,160	852	Per levy notification.
152		Sub-total	310,440	301,308	301,307	302,160	852	
153		Fire and First Response						
154	040-001	Fire wages and benefits	55,054	59,627	79,000	117,800	58,173	
157	040-003	Volunteer Compensation and Training	58,010	107,660	70,000	108,000	340	Timesheet-based honorariums (98,000) and training (10,000) including NFPA courses and training material. Budget assumes high call-out hours as in 2023.
158	040-005	Deputy Chief	-	-	-	-	-	
159	040-010	Volunteer WSIB, EHT	4,004	3,811	3,900	6,930	3,119	Based on 13 volunteers and maximum WSIB coverage.
160	040-020	Administrative Expenses	5,674	7,544	7,430	7,800	256	Office supplies, internet, photocopier, association dues, personal medicals, mileage.
162	040-022	Public Education/Prevention	2,708	1,984	3,000	3,000	1,016	
163	040-023	Repeater Tower & Dispatch Services	7,087	7,670	7,500	7,500	(170)	Spectrum re Pevensey repeater tower&internet, Parry Sound dispatch services and Fluent MS Who's (dispatch upgrade share included in capital).
164	040-025	Equipment Maintenance	2,522	9,518	8,000	8,000	(1,518)	Radio license, maintenance of bunker suits and other equipment.
165	040-026	Small Equipment Purchases - items detailed below	8,165	11,151	15,150	10,529	(622)	(fan and extrication supports included in capital)
166		Small generator for pumper/tanker (2,000)						
167		Radio upgrade x3 (4,800)						
168		20 nomax hoods (3,729)						
169								
170	040-030	Telephone	811	817	860	450	(367)	Assumes savings re new system effective April.

	A	B	N	O	P	Q	R	T
5	Account #	Description	2022 Actual	2023 Projected	2023 Budget	2024 Draft Budget	Budget Increase (Decrease) vs. 2023 Projected	Comments
171	040-031	Hydro/Heat	7,726	8,329	8,210	8,600	271	Electricity, furnace fuel and generator propane.
	040-032	Building Expenses	3,897	14,436	7,900	15,000	564	Building, furnace, water system, generator maintenance. 2023 included 4,500 one-time expenses re 2 electric door openers and tree cutting. 2024 includes 2 nd phase of door openers \$4500, signs, water system \$2000 and paint along with second phase of tree removal \$5000.
172								
173	040-035	Fire Dept - Firefighters and General Insurance	26,515	33,065	33,065	43,978	10,913	Per final insurance distribution.
175	040-041	Joint Training Officer	16,682	16,682	17,182	17,182	500	Kearney share of joint training officer. Contract renewed at same rate.
176	040-042	Uniforms	9,140	5,081	6,000	6,000	919	
	040-060	MNR Fire Agreement	7,265	7,572	7,572	7,875	303	Fire protection Crown land agreement in place for 2022-2027. Annual increase = CPI, capped at 4%.
177								
178	041-021	First Response - Medical Supplies	2,289	1,039	2,500	2,500	1,461	Masks, gloves, COVID supplies
	040-100	Vehicle Expenses	26,877	29,574	18,000	22,000	(7,574)	Vehicle operation and maintenance expenses. 2024 includes new door and lettering for unit 311 (3,600).
179								
180								
187		Building, By-Law & Animal Control						
188	044-001	Building Dpt. wages and benefits	235,443	303,318	234,400	149,900	(153,418)	Marjorie revised estimate @ April 24 '24
190	044-002	Building Dpt. wages and benefits administration allocation						No interdepartmental allocation in this version of the budget.
192	044-020	Building Department Office Expenses	2,666	12,668	12,000	4,300	(8,368)	Office supplies, postage specifically related to building dpt.
193	044-027	Building Department - Memberships	742	798	1,000	577	(221)	
194	044-040	Building Department - Training and miscellaneous costs	4,267	4,437	10,000	7,000	2,563	
198	044-058	Building Department Legal Expenses	24,515	14,343	40,000	15,000	657	Estimate re ongoing issues
199	044-100	Building Department - Mileage/vehicle expenses	4,189	6,667	7,000	4,900	(1,767)	Includes operating costs of Town vehicle license, insurance, fuel, maintenance)
200	045-001	By-Law enforcement Wages	64,601	73,059	83,300	-	(73,059)	N/A in 2024.
201	045-020	By-Law - Mileage/Expenses	4,109	6,969	6,500	61,500	54,531	Contracted Armour services: wages, mileage, training/other shared costs.
203	045-023	By-Law Training	2,416	2,001	3,740	-	(2,001)	(1,000 included in Armour services above). Account will not be used in 2024.
204	045-058	By-Law Legal	2,045	753	3,000	2,000	1,247	Estimate of legal costs specific to Kearney.
205	046-020	Animal Control	1,752	1,852	1,862	1,000	(852)	Vet unit (90) and donation to Almaguin Pet Rescue
206								
207		Emergency Measurers						
208	049-020	Emergency Measurers Expenses	901	1,342	1,200	2,850	1,508	OPP PSAP annual billing, 911 numbering. 2024 includes 1,500 re training.
209								
210		SUB-TOTAL PROTECTION	902,511	1,055,072	1,000,578	944,331	(110,741)	

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S	Account #	Description	2022 Actual	2023 Projected	2023 Budget	2024 Draft Budget	Budget Increase (Decrease) vs. 2023 Projected	Comments
211		TRANSPORTATION						
212		PW - Overhead						
213	059-001	PW - Wages & Benefits holding account	596,987	497,055	533,500	601,300	104,245	Existing staff compliment.
215	050-020	Garage - Bldg & Equipment Supplies and R&M	10,049	17,055	53,800	50,000	32,945	Includes recurring charges: internet, pest control and misc. supplies. Budget includes mold remediation/wall and ceiling repairs (30,000).
216	050-030	PW - Telephone, Radio & Internet	7,964	5,698	4,000	5,600	(98)	Radio air time, phone and cell. Assumes savings re new phone system effective April 1.
217	050-031	Garage - Hydro/Heat	14,766	13,351	15,700	13,780	429	Electricity and furnace fuel.
218	050-035	PW - Insurance	31,783	38,491	38,491	44,105	5,614	Per final insurance distribution.
219	050-040	PW - Employee Expenses & Training	2,645	9,908	13,945	12,000	2,092	Clothing allowance (350/employee net of HST rebate) and training
221		Sub-total	664,195	581,558	659,436	726,785	145,227	
222		Public Works Equipment						
223	050-100	Public Works - All Vehicles Diesel Fuel	74,484	69,371	86,000	85,000	15,630	
224	050-105	2012 GMC Sierra - fuel, license and repairs	4,184	575	-	-	(575)	SOLD in 2024
225	050-110	2024 Dodge Ram 1500 - fuel, license and repairs				2,000	2,000	New vehicle purchased Feb 2024.
226	050-111	Dodge 2500 - license and repairs				500	500	New vehicle purchased Feb 2024.
227	050-106	2021 Dodge - fuel, license and repairs	6,125	10,152	6,500	815	(9,337)	Estimated expenses to mid-February '24. Vehicle then transferred to parks&rec.
228	050-115	License and Repairs - 2007 Sterling Tandem	-	-	3,760	-	-	SOLD in 2024
229	050-120	License and Repairs - 2008 Sterling Tandem	8,488	12,383	15,000	1,750	(10,633)	YTD = license.
230	050-121	License and Repairs - 2016 Freightliner	4,756	22,373	10,500	5,000	(17,373)	
231	050-122	License and Repairs - 2019 Ford 550	3,108	1,695	3,500	3,500	1,805	
232	050-123	License and Repairs - 2020 Freightliner	13,359	13,932	14,000	14,000	68	
233	050-124	License and Repairs - 2024 Freightliner		1,220	1,000	3,000	1,780	
234	050-125	Repairs - Sanding Unit for 1 Ton	2,576	1,424	2,500	1,000	(424)	Chains, etc.
236	050-135	Repairs - Caterpillar Excavator	5,151	2,784	5,000	5,000	2,216	
238	050-145	Propane/Repairs - Equipment Steamer	104	-	200	500	500	Propane only.
239	050-155	Repairs - Grader	31,407	27,535	26,000	25,000	(2,535)	
241	050-160	Repairs - 2020 CAT Backhoe	7,803	3,662	8,000	5,000	1,338	
242	050-165	Repairs - Trackless sidewalk machine	759	3,534	1,200	100	(3,434)	Machine broke in 2024. To investigate possibility of fixing in the summer.
243	050-166	Repairs - Sweeper	2,944	6,799	3,000	3,000	(3,799)	adjusted to actuals
244	050-170	Repairs - Public Works Trailer	3,365	423	3,500	1,000	577	
245		Sub-total	168,612	177,861	189,660	156,165	(21,696)	
246		Roadways Maintenance						
248	051-020	Paved Rd - Cold Patch/Patching	3,084	4,458	3,300	24,000	19,542	Includes maintenance & 20,000 tar, seal, crack sealing on Hwy 518
250	051-022	Paved Rd - Line Painting	12,937	10,755	13,000	13,500	2,745	Annual maintenance: stop blocks and parking lots.

	A	B	N	O	P	Q	R	T
S	Account #	Description	2022 Actual	2023 Projected	2023 Budget	2024 Draft Budget	Budget Increase (Decrease) vs. 2023 Projected	Comments
251	051-023	Stormwater System Maintenance	1,399	1,450	1,500	20,000	18,550	Flush system.
	052-020	Unpaved Rd - Gravel and gravel pits	7,592	20,183	1,100	13,500	(6,683)	Use of gravel inventory: A gravel (4.83/tonne); granite (22.86/tonne), including license and annual royalty based on quantity of gravel removed from pit.
252	052-021	Unpaved Rd - Dust Control	45,669	31,027	53,550	40,000	8,973	Liquid and bagged.
253	052-023	Unpaved Rd - Armour Mice Agreement	3,358	3,358	3,358	3,358	(0)	Armour maintenance agreement.
255	053-020	Bridges & Culverts - Bridge Maintenance/Inspections	763	-	10,000	8,345	8,345	OSIM inspection 2024 as per quote.
256	053-021	Bridges & Culverts - Culverts	887	926	900	1,000	75	Culverts used for routine maintenance.
	054-020	Roadside - Mowing/Brushing	6,545	6,192	8,000	8,000	1,808	In-house brushing and roadside mowing including equipment rental.
259	054-021	Roadside - Signs	5,312	2,196	5,500	1,500	(696)	
260	054-022	Roadside - Beaver Trapping	1,600	1,200	500	1,200	-	
261	054-023	Roadside - Guardrails	448	366	500	750	384	
263	055-020	Winter Ctrl - Sand & Salt	62,169	49,749	75,000	64,000	14,251	
	055-021	Winter Ctrl - Contracted Services	4,560	5,123	5,123	5,225	102	Per resolution 10(c)(ii)/04/02/2022 re Fowler's maintenance contract for 21/22 to 24/25 winter seasons. Seasonal cost per resolution split between related years.
265	056-020	Street Lights - Energy & Repairs	5,549	3,133	5,900	5,230	2,097	No repairs in 2023. Budget includes 2,000 repair contingency.
266		Sub-total	164,783	140,118	187,231	209,608	69,490	
267		SUB-TOTAL TRANSPORTATION	997,590	899,536	1,036,327	1,092,558	193,022	
269		ENVIRONMENT						
271	060-001	Transfer Station Wages and Benefits	35,203	57,546	60,522	77,800	20,254	
274	060-021	Joint Waste Management	80,424	87,121	87,121	95,940	8,819	JWMC budget.
275	060-022	BFI - Recycling Pick-up	108,820	120,631	115,680	124,730	4,099	Inflated 2023 cost.
276	060-023	BFI shingles/metal	8,410	5,835	8,940	6,030	195	Inflated 2023 cost.
	060-024	Transfer Station - Operating Expenses	3,115	7,884	4,710	16,000	8,116	Mileage between sites (until mid-February), employee clothing allowance, dump cards, portable toilets, miscellaneous maintenance at sites. 2024 includes 6,000 re purchase of dump cards and 900 re new rental of card-reading machines commencing in April. 5000 for FoodCycler Bins
277	060-025	MNR Land Use Permits	-	-	173	-	-	
279	060-026	Hazardous Waste Days	13,310	10,761	14,150	11,130	369	Inflated 2023 cost.
280	060-031	Transfer Station - Hydro and Phones	4,513	3,377	4,800	3,000	(377)	Inflationary increase over 2023 less savings from new phone system.
281	060-035	Transfer Station - Insurance (Backhoe)	368	434	434	488	54	Per final insurance distribution.
282	060-060	Repairs - John Deere Backhoe	159	9,935	6,400	10,000	65	Repairs facilitated in late 2023, early 2024 including diagnostics
283	060-061	Transfer Station Vehicle - License and Repairs				7,500	7,500	Previous parks&rec vehicle commencing February/24. Includes 2,500 for winter tires.

	A	B	N	O	P	Q	R	T
S	Account #	Description	2022 Actual	2023 Projected	2023 Budget	2024 Draft Budget	Budget Increase (Decrease) vs. 2023 Projected	Comments
284	060-100	Landfill Closure and Post-Closure (net of amt to be recovered)	12,068	13,791	9,413	14,100	309	DM Wills monitoring contract ended in 2023. Balance payable on contract = 552 re final 22/23 report. Estimated new contract @ inflated DM Wills average annual cost.
286		SUB-TOTAL ENVIRONMENT	266,391	317,316	312,343	366,718	49,402	
287		HEALTH SERVICES						
288	070-020	North Bay/Parry Sound Health Unit	25,747	27,548	27,548	28,376	828	Per levy notification.
290	070-021	Ambulance	122,326	128,342	128,342	134,092	5,750	Per levy notification.
291	070-022	V of BF - Almaguin Highlands Health Centre/Ontario Telemedicine Network Contribution, physiotherapist contribution and AHHC operating contribution	7,053	2,603	2,603	6,007	3,404	April 20/23 Resolution 70-23: agreement to contribute 6,007 annually for 5 years for AHHC operating deficit, commences in 2024.
294		SUB-TOTAL HEALTH SERVICES	155,126	158,493	158,493	168,475	9,982	
295		SOCIAL AND FAMILY SERVICES						
296	071-022	Eastholme - Levy	129,622	133,884	133,884	139,276	5,392	Per levy notification.
297	071-025	DSSAB	164,114	169,625	169,625	177,021	7,396	Per levy notification.
298	071-033	Seniors Room - One Time Grant Expenses	15,591	-	8,738	8,738	8,738	Approved 23/24 grant items (to be spent by March 31/24): tables, chairs, computer and supplies, internet upgrade, pots&pans, senior's rug replacement.
299	071-032	Seniors Grant - Keamey expenses	3,564	1,756	3,000	2,000	244	
300	071-034	Seniors Room - Active Living Fair Expense		-	-	2,500	2,500	Expenses = related grant. Unspent funds must be refunded.
301		SUB-TOTAL SOCIAL & FAMILY SERVICES	312,891	305,265	315,247	329,535	24,270	
302		RECREATION & CULTURE						
303		Parks						
304	080-001	Parks - Grass Cutting wages and benefits	14,463	5,249	14,600	7,800	2,551	1 grass cutter, 10 weeks.
305	080-020	Parks - Parks & Trails maintenance supplies	4,064	5,116	7,370	6,000	884	Student advertising, lawnmower gas&repairs, portable toilets, Main St. flowers.
306	080-024	Boat Ramps and Docks maintenance		8,124	-	1,500	(6,624)	2023 = crane for Sand Lake.
307	080-025	Parks - Town Dock Hydro	375	336	400	350	14	
308	080-027	Ralph Bice Committee expenditures	-	-	9,924	1,000	1,000	Use of funds for 2024 bursaries. \$1,000/year until funds depleted per Res. 324-23. Offset = transfer from Ralph Bice reserve.
309	080-090	Parks - Lions Park / Rink net of revenue including reserve trans	4,083	3,973	4,340	4,100	127	Hydro, portable toilets, alarm monitoring.
310	080-035	Parks/Recreation Insurance	14,262	16,114	16,114	17,589	1,475	Per final insurance distribution.
311	080-100	Parks Vehicle - operating expenses	3,260	5,212	3,590	5,000	(212)	Original Parks vehicle until mid-February and 2021 Dodge.
312		Sub-total	40,508	44,123	56,338	43,339	(784)	
313		Recreation Programs						
314	081-001	Recreation - Wages & Benefits	-	-	1,225	7,800	7,800	Recreation coordinator 10 weeks.
315	081-020	Recreation - Program Expenses	6,380	2,053	1,400	13,000	10,948	Fitness instructors plus equipment for exercise and recreation programming.
316	081-021	Recreation - Swim Program Expenses	-	1,330	275	2,700	1,370	Includes contracted swimming instructor.

	A	B	N	O	P	Q	R	T
S	Account #	Description	2022 Actual	2023 Projected	2023 Budget	2024 Draft Budget	Budget Increase (Decrease) vs. 2023 Projected	Comments
317	081-035	Recreation - Events/Mun Liability Insurance	810	810	810	810	-	Per final insurance distribution.
318	081-050	KCC Committee	3,708	39	4,000	4,000	3,961	= revenue account 022-821.
320	081-051	Recreation Special Events	456	175	500	4,000	3,825	
321	081-501	Dog Sled Races Expenses	2,305	33,625	33,332	28,942	(4,683)	Expenditures = revenue account 022-811. Any difference to/from reserve.
322	081-502	Regatta/Fireworks Expenses	20,052	26,612	24,000	23,000	(3,612)	Expenditures = revenue account 022-812. Any difference to/from reserve.
323		Sub-total	33,711	64,643	65,542	84,252	19,609	
324		Community Centre						
325	082-001	KCC - Salaries and Benefits	58,181	35,664	61,245	124,500	88,836	Includes addition of 1 PT position in May
327	082-020	KCC - Supplies and Maintenance Expenses	6,892	14,541	10,000	17,000	2,459	R&M, supplies, security, fire protection and employee telephone
328	082-021	KCC - Water Operations & Maintenance	944	3,887	1,000	1,500	(2,387)	Water testing, water system supplies
330	082-031	KCC - Hydro/Heat	17,247	16,332	18,300	18,000	1,668	Electricity and furnace fuel.
331	082-035	KCC - Insurance	6,204	7,739	7,739	9,974	2,235	Per final insurance distribution.
332	082-040	KCC - Employee Expenses and Training	311	295	815	1,000	705	Training and related travel expenses, clothing allowance.
333		Sub-total	89,779	78,459	99,099	171,974	93,515	
334		Library						
335	083-020	Library Levy	27,654	30,832	30,832	46,345	15,513	Per Library budget.
336	083-021	Library Operating Expenses	1,945	7,743	7,420	2,110	(5,633)	Expenses paid by Town: hydro, insurance, Telizon. 2023 included honorarium donation by Council member
337		Sub-total	29,599	38,575	38,252	48,455	9,880	
338		Cultural Services						
339	084-020	Art Show Expenses	-	7,322	6,000	8,100	778	Event is generally revenue-neutral. Expenses budgeted to = revenue
340		Sub-total	-	7,322	6,000	8,100	778	
341		SUB-TOTAL RECREATION & CULTURE	193,598	233,121	265,231	356,120	122,999	
342		PLANNING AND DEVELOPMENT						
344	090-020	Planning expenses	12,566	7,557	20,000	15,000	7,443	Contracted planner assistance.
345	090-021	Strategic Plan /Official Plan / Zoning Review	4,614	-	-	-	-	Budgeted as an exceptional item in 2024 (see capital section).
346	090-022	LPAT Planning Appeals	-	246	-	-	(246)	
350	090-051	New Development Net Expenses (Revenue)	65,024	847	847	-	(847)	N/A in 2024.
351	091-020	Economic Development miscellaneous expenses	1,282	1,384	1,384	1,400	16	Budget includes TODS cost, Almaguin Highlands Community Guide.
352		SUB-TOTAL PLANNING & DEVELOPMENT	83,485	10,034	22,231	16,400	6,366	
353		Total Expenses	3,637,299	3,826,482	4,018,755	4,326,775	500,293	
354								
355								
356		TRANSFERS FROM (TO) RESERVES RE OPERATING ACTIVITIES						

A	B	C	D	E	F	G	H	I	J
S	Account #	Description	2022 Actual	2023 Projected	2023 Budget	2024 Draft Budget	Budget Increase (Decrease) vs. 2023 Projected	Comments	
361	029-001 (031-900)	From (To) Election Reserve	11,208	(4,075)	(4,075)	(4,075)		2022 election costs = 18,890. Transfer 1/4 anticipated 2024 election cost, less annual Datafix/Voterview charge to reserve in non-election years.	
362	029-001 (031-901)	From (To) CUPE Reserve	(8,000)	2,591	12,566	9,975	7,384	Use of balance for 2024 CUPE negotiations.	
363	029-001 (031-902)	From (To) UFCW Reserve	(1,500)	7,506	13,389	(2,500)	(10,006)	Transfer to reserve in non-negotiation years.	
365	029-001 (031-904)	From (To) Sick Leave Reserve	-	-	-	6,864	6,864	Adjust reserve balance to equal 2023 liability.	
367	029-001	From Ralph Bice Wilderness Centre Reserve	-	-	9,924	1,000	1,000	Use of funds for 2024 bursaries. \$1,000/year until funds depleted per Res. 324-23.	
368	029-001 (081-900)	From (To) Dog Sled Reserve	2,305	8,597	8,305	-	(8,597)	Net Dog Sled Expense (Revenue).	
370	029-001 (081-903)	From (To) Regatta Reserve	(2,267)	4,903	800	800	(4,103)	800 from reserve re band shelter reserve contribution plus net Regatta expense (revenue).	
371	029-001	From (To) KCC Reserve	(1,160)	(3,876)	-	-	3,876		
373	029-001 (032-900)	From (To) To Recreation and Culture Reserve	-	(26,515)	-	10,700	37,215	2024 Transfer from reserves to produce revenue neutral recreation and swim programming as well as special events.	
374	SUB-TOTAL FROM (TO) RESERVES RE OPERATING ACTIVITIES			586	(10,869)	40,909	22,764	33,633	
375									
376	Total Revenues		4,783,498	5,306,513	5,108,499	5,418,178	111,665		
377	Less: Total Expenses		(3,637,299)	(3,826,482)	(4,018,755)	(4,326,775)	(500,293)		
378	Add: Net from (to) Reserves re Operating Activities		586	(10,869)	40,909	22,764	33,633		
379	Net Operating Income			1,146,785	1,469,163	1,130,653	1,114,167	(354,996)	AMP target: increase enough to keep up with rising capital asset costs plus add 1% increase to close the infrastructure gap. 2024 target = 1,180,402.
380									
381									
382	CAPITAL TRANSACTIONS AND EXTRAORDINARY ITEMS- SOURCES OF FUNDING								
383	Grants, Deferred Revenue and Miscellaneous Capital Revenue								
384	028-003	Asset sale proceeds/insurance proceeds	75,000	-	11,500	45,250		2012 GMC, 2007 Sterling, 2002 Fire Pumper, 2008 Tandem, ATV, John Deere Backhoe, Generator, Expedition	
385	028-002	Sale of surplus lands	-	-	-	230,000		Low estimate based on 4-5 properties being sold	
386		Donations	-	4,000	4,000	-		2023= fire ATV	
391	021-007	ICIP: COVID-19 Resiliance Funding (Municipal Complex Retrofit and Expansion)	6,133	93,867	93,867	-		N/A in 2024.	

	A	B	N	O	P	Q	R	T
5	Account #	Description	2022 Actual	2023 Projected	2023 Budget	2024 Draft Budget	Budget Increase (Decrease) vs. 2023 Projected	Comments
396	021-005	NORDS Funding				330,000		Use of funding for budgeted Chetwynd Road rehab. Allocation = 96,994.28/yr for 5 years for years ending March 31/22-March 31/26. Is stackable with other funding programs. Accumulated funding available in 2024: 387,977 (4 years)
398	021-504	OCIF - Formula-based funding	123,960	111,323	207,734	289,264		Balance of available funding (302,264 - 13,000 applied to AMP costs) to be applied to Hwy 518 overlay and and Echo Ridge Road resurfacing.
402	021-002	Gas Tax Deferred Revenue	-	117,207	119,568	122,785		Use all 2024 available (122,785 plus interest earned in '24) on Echo Ridge Road resurfacing
403	021-821	NOHFC - KCC renovation	260,800	608,704	739,200	130,496		Based on using remaining balance of 1,000,000 grant. Funds 37.74% eligible expenditures.
404	028-801	Parkland Deferred Revenue - Public Recreation Purposes	-	-	21,722	32,185		Use for boat ramps. Available 29,285 (2023) + 2,900 YTD = 32,185.
405		Sub-total	465,893	935,101	1,197,591	1,179,980		
406		Transfers from Reserves for Capital Purposes						
407	029-001	Capital Asset Reserve	-	-	-	-		Balance Dec 31/23 = 445,784.
408	029-001	Modernization Funding Reserve	-	337,316	337,316	-		Reserve exhausted in 2023 re KCC
410	029-001	Building Reserve		365,662	450,000	-		Use of existing reserve (84,338) not required in 2023.
416	029-001	Fire - air bottle fill station and air pack reserves	68,000	-	-	-		Reserve used in 2022.
417	029-001	Fire - Fire Truck reserve	-	321,074	321,074	-		Reserve exhausted in 2023 re fire truck purchase.
418	029-001	Bridge and Culvert Reserve	-	-	-	-		Balance at end of 2023 = 922,405.
419	029-001	Reserve for Public Works Equipment	169,143	-	-	-		Balance at the end of 2023= 298,676
420	029-001	Recreation and Culture Reserve	-	-	143,489	-		
421	029-001	KCC Kitchen Equipment (Trillium) Reserve		25,800	25,800	-		Reserve exhausted in 2023
422	029-001	Trail Development Reserve		5,000	5,000	-		Reserve exhausted in 2023.
425		Sub-total	237,143	1,054,852	1,282,679	-		
426		Total sources of funding - capital transactions	703,036	1,989,953	2,480,270	1,179,980		
427		USES OF FUNDING						
429		Net Long-term Debt Repayments						
432	040-723	Principal - 2007 E-One Pumper/Tanker Loan	8,865	9,302	9,302	9,762		Per loan schedule.
433	040-724	Interest - 2007 E-One Pumper/Tanker Loan	4,329	3,892	3,892	3,432		Per loan schedule.
442	050-728	Principal - West Bay Road Bridge	13,934	14,407	14,407	8,629		Per loan schedule. Loan fully repaid in '24.
443	050-729	Interest - West Bay Road Bridge	1,023	550	550	96		Per loan schedule. Loan fully repaid in '24.
446		Sub-total	28,151	28,151	28,151	21,919		
447		Capital Expenditures and Extraordinary Items						See itemized list of capital items for details.
448	032-800	Capital - Administration	-	20,069	48,045	80,000		

S	A	B	N	O	P	Q	R	T
	Account #	Description	2022 Actual	2023 Projected	2023 Budget	2024 Draft Budget	Budget Increase (Decrease) vs. 2023 Projected	Comments
456	090-021	Strategic Plan /Official Plan / Zoning Review				75,000		OP and ZBL review. Public engagement sessions for strategic plan combined with OP and ZBL. 50% of total anticipated cost budgeted for 2024.
457	040-800	Fire Dept Capital	144,860	543,603	577,535	124,475		Preliminary work on new fire hall removed from capital list April 18/24.
464	044-800	Building Dept - Capital Purchases	12,728	8,141	10,672	1,100		
466	050-801	Capital - PW building and equipment	247,514	343,327	334,632	217,721		
467	050-802	Capital Road Construction	131,361	262,284	405,073	961,000		Revised Clam Lake Road realignment cost reflecting in-house work per April 18/24 meeting.
469	050-803	Bridges & Culverts Capital	(34,211)	44,888	-	12,750		
471	060-800	Transfer Station Capital	-	28,819	40,000	40,000		
474	080-801	Boat Ramps & docks special projects	-	30,847	135,374	100,000		
475	080-802	Parks Capital	-	-	-	12,100		
476	080-804	Lion's Park Capital	-	-	-	10,000		
484	082-800	KCC Capital	731,484	1,613,936	1,972,260	448,129		
486		Sub-total	1,278,951	2,895,913	3,523,591	2,082,275		
487		Transfers to Reserves for Capital Purposes/Extraordinary Items						
488	032-900	Provision for Working Funds Reserve	-	184,623	184,623	-		
490	032-900	Provision for Building Reserve	-	-	-	316,274		Budget balancing.
495	050-900	To Bridges & Culverts Reserve	240,000	240,000	240,000	240,000		
496	050-900	To Reserve - Public Works Equipment	-	167,819	167,819	-		
498	070-900	To Reserve - Muskoka Hospital		108,750	108,750	108,750		Per May 29/23 budget meeting: accept proposed commitment of \$1,305,000 anticipated in 12 years for the hospital construction. Annual reserve contribution for each of the next 12 years = 108,750
499	081-902	To Regalia Band Shelter Reserve (re Tritium Requirement)	800	800	800	800		800/yr for 13 years (2015-2027)
503		Sub-total	240,800	701,992	701,992	665,824		
504								
505		Net Long-term Debt, Capital and Reserve Expenditures	(844,866)	(1,636,103)	(1,773,464)	(1,590,038)		
506								
507		Overall Budget						
508								
509	029-002	Prior Year Surplus (Deficit)	340,891	642,811	642,811	475,871		
510		Net Operating Income	1,146,785	1,469,163	1,130,653	1,114,167		
512		Net Capital and Reserve Expenditures	(844,866)	(1,636,103)	(1,773,464)	(1,590,038)		
513								
514		Net Income (Deficit) (must = 0 for balanced budget)	642,811	475,871	-	(0)		
515								

Itemized Draft Capital Budget 2024**May 9, 2024****2024 CAPITAL PROJECTS SUMMARY**

	Special Funding Notes
Administration (032-800)	
Balance of server and security upgrades	55,000
Phone system and internet upgrades for municipal office, public works and transfer stations	19,000
Sound System for Committee use	<u>6,000</u>
	<u>80,000</u>
Fire Department (040-800)	
2023 Ford Explorer	58,000
Additional truck costs re decals & lights	15,500
Planning/engineering/land for future fire hall - removed April 18/24 meeting	.
GPS/AVL module	5,500
Ex 500 Electrical Fan	5,905
Fire Pro Software	5,088
Extrication Strut Supports	6,982
1/5 Share of Burn Building-To be put into reserves if not spent in 2024	20,000
1/6 th dispatch upgrades	<u>7,500</u>
	<u>124,475</u>
Building Department (044-800)	
GPS/AVL module	<u>1,100</u>
	<u>1,100</u>
Public Works Building and Equipment (050-801)	
2024 RAM 250	79,250
Decals/radio for RAM 250	2,900
Sander screen for Freightliner (ordered but not delivered in 2023)	5,000
Brushhead for excavator	50,000
Ditching bucket for backhoe	5,000
Dodge Ram 1500	52,671
Decals/radio for Dodge Ram	2,900
GPS/AVL module	<u>20,000</u>
	<u>217,721</u>

Itemized Draft Capital Budget 2024**May 9, 2024**

		Deferred Grants Available for Roadwork
Road Construction (050-802)		
Resurface 2km Echo Ridge Road: 4-way stop to new construction (Gas Tax and OCIF)	339,000	Gas Tax - depleted in 2024 122,785
		NORDS - 57,977 remaining at end of 2024 387,977
Resurface 2km Chetwynd Road (NORDS)	330,000	OCIF - depleted in 2024 302,264
Clam Lake Road realignment	82,000	Less OCIF applied to AMP costs (13,000)
Overlay 1.5km Hwy 518E - Bevans to Beaver Lake Rd (balance of OCIF)	160,000	
Tar & chip 1km Echo Ridge Road - from Clam Lk Rd	35,000	
Guardrails to be completed in-house	<u>15,000</u>	
	<u>961,000</u>	
Bridges and Culverts (050-803)		
Concrete works re swale on Kallio and in Town	7,000	
YTD engineering re Sucker Creek bridge	<u>5,750</u>	
	<u>12,750</u>	
Transfer Station Capital (060-800)		
Garbage Compactor - King William	<u>40,000</u>	
	<u>40,000</u>	
Parks Boat Ramps & Docks (080-801)		
Sand Lake Boat ramp reconstruction	100,000	\$75,021 net underexpenditures on boat ramp in 2023 included in opening surplus
		Cost included as per Council Resolution March 7th meeting
	<u>100,000</u>	
Parks (080-802)		
Concrete pad for gazebo at Mirror Bay	5,000	
Zero-turn mower	6,000	
GPS/AVL module	<u>1,100</u>	
	<u>12,100</u>	
Lion's Park (080-804)		
Pavillion building condition assessment and design	<u>10,000</u>	
	<u>10,000</u>	

Itemized Draft Capital Budget 2024**May 9, 2024**

KCC (082-800)

Washer and dryer

4,763

Outstanding items re generator, KCC gym/kitchen renovation:

a) Bradanick contract (up to change order #34)	269,745	NOHFC grant - balance (37.74% funding of expenditures)	130,496
b) Balance of sound system	8,894	Building reserve	84,338
c) Laroque Elder estimate	12,000	prior year surplus	228,532
d) Lighting for exterior of building	2,727		
e) Paving and fencing	150,000		
Subtotal KCC renovation	443,366	expenditures must = 345,776 to utilize full grant	443,366
Total KCC	448,129		

**The Corporation of the Town of Kearney
Municipal Act, 2001 Ontario Regulation 284/09
2024 Budget**

In 2009 significant changes were made to Public Sector Accounting Board ("PSAB") rules that govern the preparation of municipal financial statements. Municipalities were required to adopt these rules for financial statement purposes, but they have been allowed to follow their historical modified accrual accounting procedures for budget purposes. To address some of the major differences between these two accounting methods, the Municipal Act, 2001 was amended, and Ontario Regulation 284/09 was passed.

Ontario Regulation 284/09 states that a municipality may currently exclude specific expenses (amortization expenses, post-employment benefit expenses and solid waste landfill closure and post-closure expenses) from the budgeted amounts for which revenue must be raised. However if excluded, the regulation requires councils to adopt annual reports that show the impact of not fully covering these estimated expenses. Additionally, the annual reports must be prepared and adopted by council resolution before approving a municipal budget.

Outside of the expenditures identified in Ontario Regulation 284/09, there are other differences between a budget set on a modified accrual basis and one set on a PSAB accounting rule basis. Section 1 below itemizes all of the differences between these two accounting methods, including the excluded expenses specifically mentioned in Ontario Regulation 284/09, and shows the anticipated effect of the May 9, 2024 version of the draft budget - including the Town's share of the Joint Waste Management Committee and the Library - on the overall surplus of the Town.

Section 2 of this report discusses the impact of this budget on the Town's ability to fund future capital asset requirements.

1. Budget Deviations from PSAB Accounting - Impact on Surplus

Description	Estimated Impact on Surplus	Comments
Town surplus carried forward from prior year	(475,871)	Prior year surplus is included as revenue in current year budget. This is not revenue under PSAB rules.
Surplus carried forward from prior year - Library and Town share of Joint Waste	(7,810)	Town's share of prior-year Library and Joint Waste surplus included as revenue in current year budget. This is not revenue under PSAB rules.
Net transfers to reserves	587,054	This reflects the Town, Library and the Town's share of Joint Waste Management Committee net reserve transfers for operating and capital purposes. In the budget, transfers to reserve are considered expenses and transfers from reserves are considered revenue. Under PSAB accounting rules they are not revenue/expense, but simply a transfer from one surplus account to another.
Capital acquisitions	2,018,065	Capital asset purchases are expenses under modified accrual accounting but not under PSAB accounting.
Amortization expense	(894,100)	2024 amortization of existing assets plus 1/2 year amortization of budgeted asset additions. This is an expense under PSAB accounting rules but is omitted from the budget.
Solid waste landfill closure and post-closure expenses	61,000	Anticipated decrease in post-closure and closure liability for transfer station and Town's share of Joint Waste Management Committee liability assuming 2.6% inflation and commencement of closure of Cell 1 of the joint facility. This represents an increase in surplus under PSAB accounting rules not reflected in the budget.
Post-employment benefits	(16,100)	Estimated as 1/2 of maximum potential increase in the liability for the year. This is an expense under PSAB accounting rules that is omitted from the budget.
Unfunded municipal debt	18,391	Decrease in outstanding debt principal. This is treated as an expense in the budget, but is not under PSAB accounting rules.
Overall anticipated change in surplus	1,290,629	

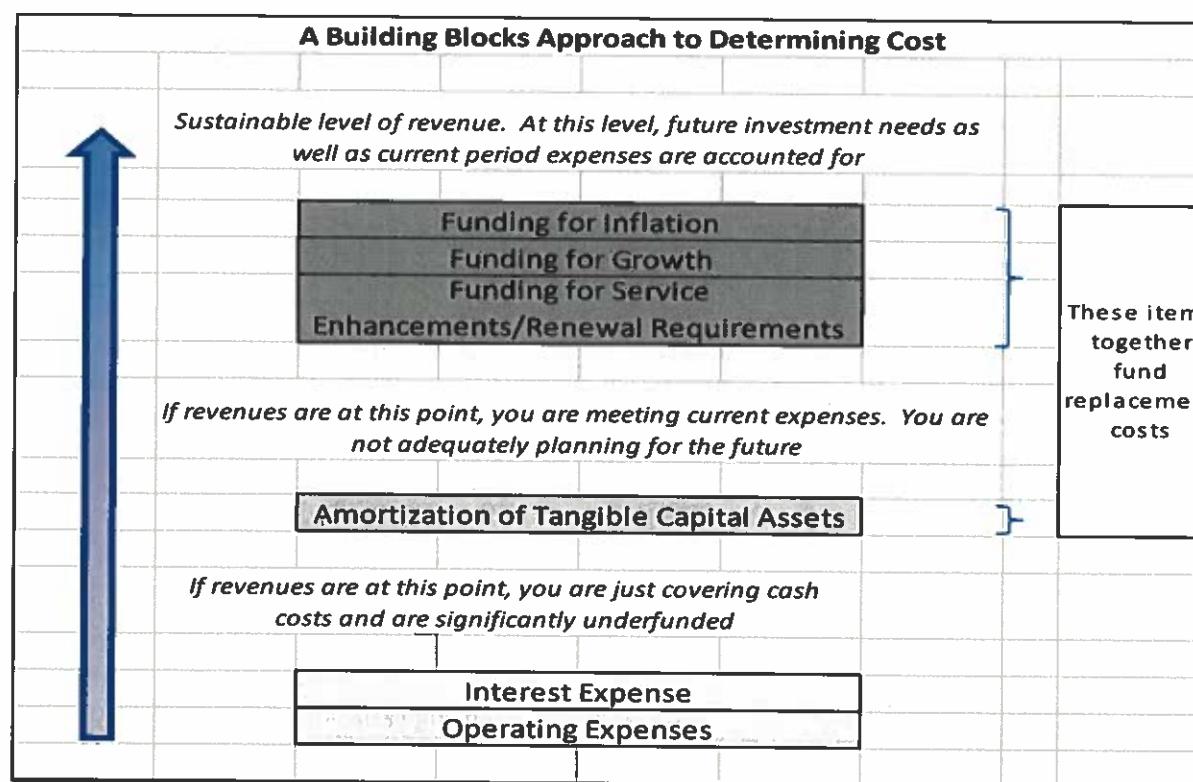
On a modified accrual basis, the Town's budget has been set to eliminate it's opening operating surplus. On a PSAB rule basis, the Town's surplus is expected to increase by approximately \$1.3 million.

2. Impact of Budget on Ability to Finance Past, Present and Future Capital Expenditures

The annual amortization of the Town's assets is a conservative estimate of a sustainable level of capital asset funding. The weaknesses of using amortization as an indicator of appropriate capital funding include:

- a) Assets that are fully amortized are excluded from the calculation.
- b) Amortization is based on the historical cost of tangible capital assets and not replacement costs, which in most cases would be significantly higher due to inflation.

This idea is depicted in the following funding level summary, adapted from the Province's Building Together Guide. In a more comprehensive view of sustainability, a municipality's funding levels would be sufficient to cover not only current amortization, but also, would take price increases and service level changes into account.



The Town's estimated 2024 amortization expense is \$894,100 and it's sustainable annual investment--as reported in the 2022 Asset Management Plan-- is \$1,681,713. These summary measures can be compared to the Town's current level of permanent/predictable annual funding for capital asset purchases of \$1,383,167 as detailed below:

a) net operating income generated by the 2024 budget	1,114,167
b) approximate annual gas tax funding	61,000
c) approximate annual OCIF funding	203,000
d) estimated annual parkland contributions	5,000
	1,383,167

The Town's current level of capital asset funding is sufficient to cover the existing amortization of the historical cost of its assets. However, it is approximately 82% of the level currently considered to be sustainable. This indicates that if the Town is to move towards sustainable investment in tangible capital assets, through the taxation policies adopted in the annual budgets, a sustained effort to increase funds available to finance capital expenditures must be made. The Town's primary tool for achieving this is through the net operating income generated. In this draft budget, the net operating income has declined from it's 2023 budgeted level of \$1,130,653.

file: RR-1 Reserves

2024 Budget Activity

Acct	Description	2024 Opening	Transfers in / Received in Year	Interest	Transfers out-account 029-001	2024 Ending
Reserves						
018-100	Reserve-Working Funds	308,562				308,562
018-105	Reserve-Election Purposes	4,075	4,075		0	8,150
018-106	Reserve-Municipal Capital Purposes	445,784				445,784
018-107	Reserve-CUPE	9,975	0		(9,975)	0
018-108	Reserve - Buildings	84,338	316,274			400,612
018-109	Reserve - Bridges and Culverts	922,405	240,000			1,162,405
018-110	Reserve-Fire/1st Response Equipment	3,489				3,489
018-116	Reserve-UFCW	5,883	2,500			8,383
018-120	Reserve-Roads Equipment	298,676				298,676
018-130	Reserve-Sick Leave	31,212		(6,864)		24,348
018-135	Reserve - Muskoka Hospital	108,750	108,750			217,500
018-145	Reserve-Recreation Ball Diamond	2,034				2,034
018-146	Reserve-Recreation and Culture Purposes (SRA land sale proceeds)	170,004		(10,700)		159,304
018-155	Reserve-Dog Sled Races	17,721				17,721
018-160	Reserve-Regatta	12,774		(800)		11,974
018-161	Reserve-Regatta band shelter (Trillium grant requirement)	7,200	800			8,000
018-165	Reserve-KCC committee	14,541				14,541
018-170	Lions Park Reserve	31,809				31,809

Acct	Description	2024 Opening	Transfers in / Received in Year	Interest	Transfers out-account 029-001	2024 Ending
		2,479,232	672,399	0	(28,339)	3,123,291
Reserve Funds						
018-175	Reserve-Ralph Bice Centre	10,528		(1,000)	9,528	Annual bursary of 1,000 until funds exhausted per resolution 324-23. The funds are in a segregated bank account, and in 2024 should earn approximately 600 in interest (net use for the year of 400).
Total Reserves & Reserve Funds - Town						
		2,489,760	672,399	0	(29,339)	3,132,820
Deferred Revenue - Obligatory Reserve Funds						
Acct	Description	2024 Opening	Cash in Lieu/Gas Tax/OCIF	Interest	2024 Income-re obligatory reserve usage	2024 Ending
016-001	Reserve-Gas Tax Funds	61,540	61,245	0	(122,785)	0 339,000) Resurface 2 km Echo Ridge Road (total project cost
016-002	Reserve-Parks	29,285	2,900	0	(32,185)	(0) Use for Sand Lake Boat Ramp
016-003	Reserve-OCIF formula-based grant	99,621	202,643	0	(302,264)	0 Applied to AMP costs, Echo Ridge Road (not covered by Gas Tax) and Hwy 518 E overlay
		190,446	266,788	0	(457,234)	(0)
Deferred Revenue - Other						
part of 015-001	NORDS funding	301,278	86,699	(330,000)	57,977	Resurface 2km Chetwynd Road (total cost 330,000). We need to identify an additional project to use remaining funds. capital work on any road with farms on it would likely qualify as resource-based
		301,278	86,699	0	(330,000)	57,977