



REPORT FIN-2024-006

TO: Mayor and Members of Council

PREPARED BY: Mary Hasan, Director of Finance/Treasurer

PRESENTED BY: Mary Hasan, Director of Finance/Treasurer

MEETING DATE: February 7, 2024

SUBJECT: 2024 Budget - Final
File No. F05 BUD

RECOMMENDATIONS

That Report FIN-2024-006 entitled 2024 Budget – Final be received; and

That Council give 3 readings to By-law No. 2024-005 being a by-law to adopt the Budget for the Corporation of the Township of Puslinch for the year 2024.

Purpose

The purpose of this report is to:

- 1.) Report on the results of the Public Information Meeting (PIM) held on January 17, 2024 as it relates to the 2024 Proposed Budget; and
- 2.) Provide Council with the results of the community engagement survey issued through the Township’s Online Engagement Platform, [EngagePuslinch.ca](https://engagepuslinch.ca); and
- 3.) Seek approval from Council to enact the 2024 Budget By-law.

Background

Council and the Public have received the following reports and presentations to date as part of budget deliberations:

| Report | Council Meeting |
|--|-----------------------------------|
| FIN-2023-025 – 2024 Proposed User Fees and Charges | August 16, 2023 Council Meeting |
| FIN-2023-026 - 2024 Proposed Cost of Living Adjustment | September 6, 2023 Council Meeting |

| | |
|--|-----------------------------------|
| ADM-2023-046 – Budget Process and Service Level Review | September 6, 2023 Council Meeting |
| 2024 Proposed User Fees and Charges Public Information Meeting (PIM) Presentation and Draft By-law | September 27, 2023 PIM |
| FIN-2023-030 – 2024 User Fees and Charges By-law | October 18, 2023 Council Meeting |
| FIN-2023-031 – 2024 Proposed Capital Budget | October 25, 2023 Council Meeting |
| FIN-2023-032 – 2024 User Fees and Charges By-law | November 29, 2023 Council Meeting |
| FIN-2023-033 – 2024 Grant Application Program | December 13, 2023 Council Meeting |
| FIN-2023-034 – 2024 Municipal Insurance | December 13, 2023 Council Meeting |
| FIN-2023-036 – 2024 Proposed Operating Budget | December 13, 2023 Council Meeting |
| FIN-2024-002 - 2024 Capital and Operating Budget Update | January 10, 2024 Council Meeting |
| 2024 Proposed Budget PIM Presentation and Draft By-law | January 17, 2024 PIM |
| FIN-2024-003 – 2023 Completed Capital Projects | February 7, 2024 Council Meeting |
| FIN-2024-004 – Balances in Discretionary and Restricted Reserves | February 7, 2024 Council Meeting |
| FIN-2024-005 – Ontario Regulation 284/09 – 2024 Budget | February 7, 2024 Council Meeting |
| FIN-2024-006 - 2024 Budget - Final | February 7, 2024 Council Meeting |

Public Information Meeting

A PIM was held on January 17, 2024 at 7:00 pm to obtain public input on the 2024 Proposed Budget and Draft By-law.

Public comments received at the PIM were responded to at the PIM. Following the PIM, Township staff are in the process of finalizing correspondence for comments from one member of the Public. At the time of writing this Report, based on the comments received from the Public to date, Township staff do not recommend updates to the 2024 Proposed Budget and Draft By-law that was presented at the January 17, 2024 PIM. The minutes of the PIM are included in the February 7, 2024 agenda package. Township staff will provide Council with an update should there be any further questions received prior to the Council Meeting scheduled on February 7, 2024.

Community Engagement Survey – Engage Puslinch

Attached as Schedule A to Report FIN-2024-006 are the results of the community engagement survey issued through the Township's Online Engagement Platform, [EngagePuslinch.ca](https://engagepuslinch.ca) for Council's information. The survey was open from December 22, 2023 to January 31, 2024 at 12:00 p.m. There were a total of 29 (35 – 2023) completed surveys and 104 (139 – 2023) visits to [EngagePuslinch.ca](https://engagepuslinch.ca) as part of 2024 budget engagement.

Financial Implications

As part of the Budget PIM held on January 17, 2024, the following table was presented to the Public to summarize the proposed Capital and Operating Budget.

| Description | 2023 Approved Budget | 2024 Proposed Budget | \$ Change from 2023 |
|---------------------------------|----------------------------|----------------------------|------------------------|
| Total Capital Tax Levy | \$1,311,000 | \$1,334,875 | \$23,875 |
| Total Operating Tax Levy | \$3,687,530 | \$4,024,046 | \$336,516 |
| Total Municipal Tax Levy | \$4,998,530 | \$5,358,921 | \$360,391 |

The following tables outlines the 2024 budget compared to the 2023 budget:

| Description | 2023 Budget | 2024 Budget | Notes |
|---|--------------------|--------------------|----------------|
| Operating Budget | | | |
| Operating Expenditures | \$6,033,604 | \$6,835,434 | Note A, Note D |
| Operating Revenues | -\$2,206,748 | -\$2,876,345 | Note B, Note D |
| Net Reserve Transfers | -\$139,326 | \$64,957 | Note C, Note D |
| Total Operating Tax Levy | \$3,687,530 | \$4,024,046 | Note D |
| Capital Budget by Funding Source | | | |
| Capital Tax Levy | \$1,311,000 | \$1,334,875 | |
| Canada Community-Building Fund (CCBF) | \$259,200 | \$250,000 | |
| Discretionary Reserves | \$2,018,213 | \$1,679,461 | Note E |
| Restricted Reserves | \$505,903 | \$698,202 | Note F |
| Other (grants) | \$610,477 | \$463,594 | Note G |
| Total Capital Budget | \$4,704,792 | \$4,426,132 | |
| Total Tax Levy | 4,998,530 | \$5,358,921 | |

Note A – A portion of the operating expenditures increase are offset by reserve withdrawals and increases in revenues/recoveries.

Note B – The operating revenues are noted as a negative which represents a reduction in the total operating tax levy requirement.

Note C - The \$139,326 in 2023 represents a net budgeted withdrawal from reserves. The \$64,957 in 2024 represents a net budgeted contribution to reserves. These amounts are informed based on the balances in each discretionary reserve taking into account contributions and withdrawals as outlined in Report FIN-2024-004 included in the February 7, 2024 Council agenda package.

Note D – The detailed changes in operating expenditures, operating revenues, net reserve transfers, and the operating tax levy were previously reported in the 2024 Proposed Budget

PIM Presentation at the January 17, 2024 PIM, in Report FIN-2023-036 at the December 13, 2023 Council Meeting, and within the questions received from Council seeking additional information and the corresponding responses provided by staff regarding the December 13, 2023 Council agenda.

Note E – The decrease in the discretionary reserve funding source in the 2024 Capital Budget relates to a lower utilization of the Asset Management (AM) Discretionary Reserve in 2024 compared to 2023 for asset replacement/rehabilitation projects.

Note F – The increase in the restricted reserve funding source in the 2024 Capital Budget relates to a higher utilization of the Cash in Lieu of Parkland Restricted Reserve in 2024 compared to 2023 for eligible parks and recreation projects.

Note G – The decrease in the grants funding source in the 2024 Capital Budget relates to the one-time Ontario Trillium Foundation funding that the Township budgeted in 2023 for the Playground area at Boreham Park.

The discretionary reserve contributions in the 2024 budget compared to the 2023 budget are outlined below:

| Discretionary Reserve | 2023 Budget | 2024 Budget | Notes |
|----------------------------------|-------------|-------------|--|
| Insurance Contingency | \$25,000 | \$0 | The decrease is in accordance with Council direction at the December 13, 2023 Operating Budget Meeting. |
| Legal Contingency | \$0 | \$25,000 | Given the number of significant legal matters, it is recommended that an amount of \$25K be contributed to this discretionary reserve. |
| Elections | \$13,750 | \$13,750 | |
| Winter Maintenance | \$0 | \$25,000 | |
| Asset Management | \$955,792 | \$949,075 | |
| Administrative Studies | \$0 | \$250,000 | Council at its meeting held on October 25, 2023 established an Administrative Studies Discretionary Reserve to fund one-time studies due to the implications of Bill 23. \$200K of this contribution relates to the 2017 to 2023 gravel pit appeals reassessment (the recoveries are currently being budgeted in supplemental taxation in the 2024 operating budget). An additional \$50K contribution is also recommended in accordance with Council's direction at the October 25, 2023 Council Meeting. |
| Corporate Information Technology | \$10,000 | \$15,000 | |
| Gravel Roads | \$270,800 | \$320,800 | This increase is in line with Council direction at the |

| | | | |
|--------------|--------------------|--------------------|--|
| Improvement | | | September 6, 2023 Council Meeting. |
| Total | \$1,767,342 | \$1,598,625 | These amounts are informed based on the balances in each discretionary reserve taking into account contributions and withdrawals as outlined in Report FIN-2024-004 included in the February 7, 2024 Council agenda package. |

Municipal Property Assessment Corporation (MPAC) 2024 Returned Assessment Roll

Based on the 2024 MPAC returned assessment roll and the current tax levy impact as reported in this Report, approximately each additional \$53,500 of taxes levied results in a 1% tax rate increase for the Township portion of taxes on the Median/Typical Single Family Home.

Similar to previous practice, the 2024 returned assessment roll obtained from MPAC in mid-December is compared to the 2023 returned assessment roll to determine the assessment change for the median/typical properties in the Township. The Township verifies the median/typical property assessment changes to the Ontario Property Tax Analysis tool that was made available to Township staff on December 14, 2023. The assessment change is incorporated in the calculation of the tax rate impact for the median/typical properties as further outlined in the tables below in this Report.

The education tax rates are based on correspondence received from the Ministry of Finance dated January 19, 2024 and remain unchanged from what was previously presented at the Budget PIM on January 17, 2024. The County of Wellington (County) adopted its 2024 budget on January 25, 2024. The County tax rates remain unchanged from what was previously presented at the Budget PIM on January 17, 2024. Both the Township and County tax rates are also subject to change based on the County Tax Policy which will be adopted by County Council in approximately April of 2024.

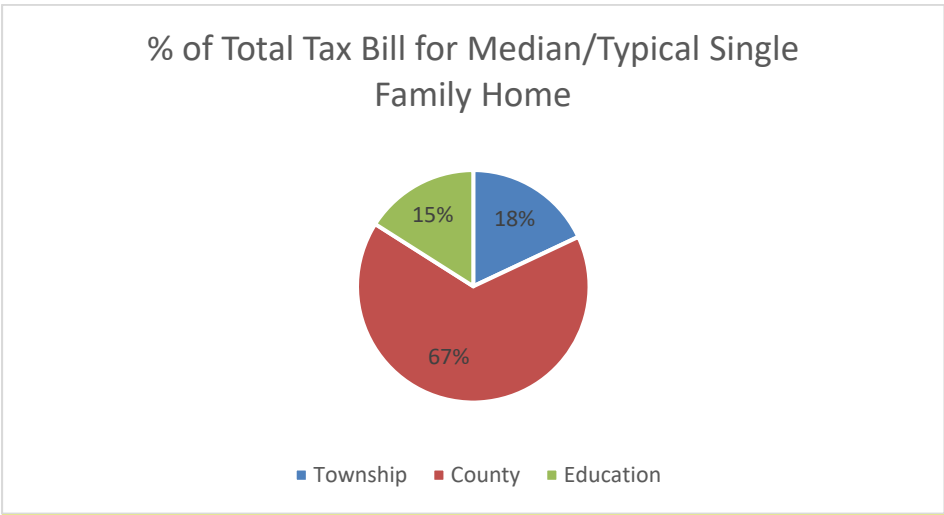
The 2024 returned assessment roll continues to be based on January 1, 2016 assessed values due to the Province’s continued postponement of the 2021 assessment update as a result of the COVID-19 pandemic. Property assessments for the 2024 property tax year will continue to be based on January 1, 2016 assessed values. As a result of the reassessment cycle being postponed again until 2025, the 2021 assessment values are deemed for 2024. There is however new assessment growth as outlined below.

The Township’s 2024 new weighted assessment growth is approximately 2.99% or \$81.3M (ie. new construction and renovations). If there had not been any new assessment growth in the Township, the proposed 2024 budget would have resulted in a Township tax increase of 7.21% and \$81 and a blended tax increase of 4.38% and \$268 on the median/typical single family home.

Median/Typical Single Family Home

The following table shows that the proposed 2024 budget results in a Township tax increase of 4.10% and \$46 and a blended tax increase of 3.81% and \$233 on the median/typical single family home (2023 Assessment - \$615,000; 2024 Assessment - \$615,000).

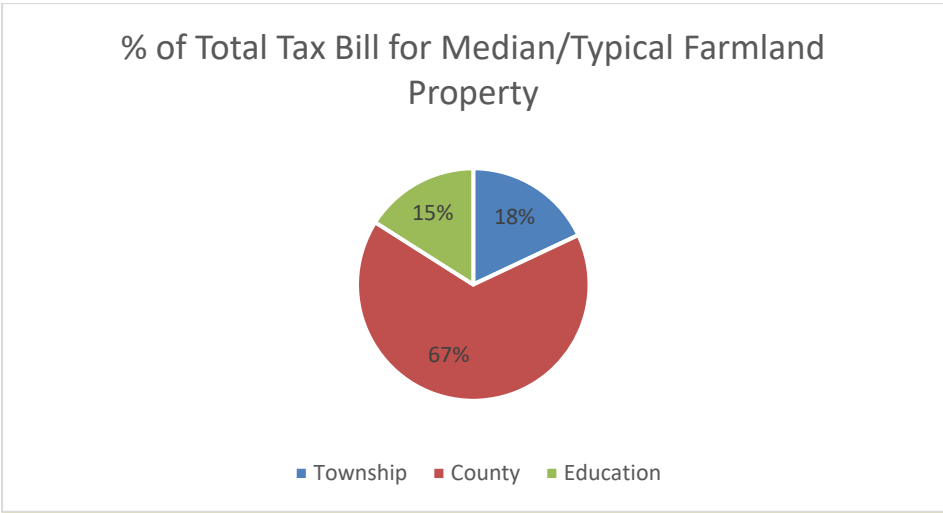
| Description | % of Total Tax Bill | 2023 | 2024 | \$ Change from 2023 | % Change from 2023 |
|---|---------------------|----------------|----------------|---------------------|--------------------|
| Median Assessment | | \$615,000 | \$615,000 | \$0 | 0.00% |
| Yearly Township Taxes | 18% | \$1,130 | \$1,176 | \$46 | 4.10% |
| Yearly County Taxes | 67% | \$4,052 | \$4,239 | \$187 | 4.61% |
| Yearly Education Taxes | 15% | \$941 | \$941 | \$0 | 0.00% |
| Yearly Blended Taxes | 100% | \$6,123 | \$6,357 | \$233 | 3.81% |
| Yearly Township Taxes per \$100K Assessment | | \$184 | \$191 | \$8 | 4.10% |
| Yearly Blended Taxes per \$100K Assessment | | \$996 | \$1,034 | \$38 | 3.81% |



Median/Typical Farmland Property

The following table shows that the proposed 2024 budget results in a Township tax increase of 4.10% and \$12 and a blended tax increase of 3.81% and \$62 on the median/typical farmland property (2023 Assessment - \$648,600; 2024 Assessment - \$648,600).

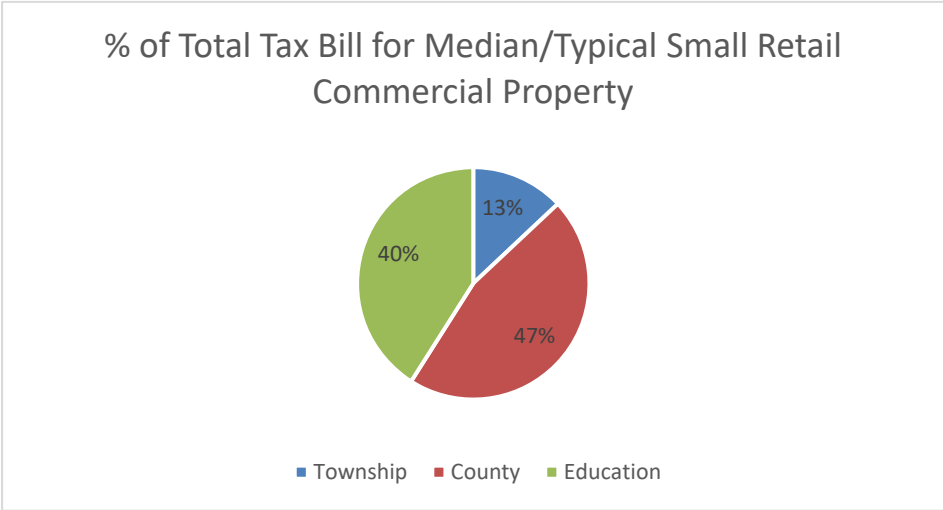
| Description | % of Total Tax Bill | 2023 | 2024 | \$ Change from 2023 | % Change from 2023 |
|---|---------------------|----------------|----------------|---------------------|--------------------|
| Median Assessment | | \$648,600 | \$648,600 | \$0 | 0% |
| Yearly Township Taxes | 18% | \$298 | \$310 | \$12 | 4.10% |
| Yearly County Taxes | 67% | \$1,068 | \$1,118 | \$49 | 4.61% |
| Yearly Education Taxes | 15% | \$248 | \$248 | \$0.00 | 0.00% |
| Yearly Blended Taxes | 100% | \$1,614 | \$1,676 | \$62 | 3.81% |
| Yearly Township Taxes per \$100K Assessment | | \$46 | \$48 | \$2 | 4.10% |
| Yearly Blended Taxes per \$100K Assessment | | \$249 | \$258 | \$9 | 3.81% |



Median/Typical Small Retail Commercial Property

The following table shows that the proposed 2024 budget results in a Township tax increase of 4.10% and \$59 and a blended tax increase of 2.65% and \$296 on the median/typical small retail commercial property (2023 Assessment - \$523,000; 2024 Assessment - \$523,000).

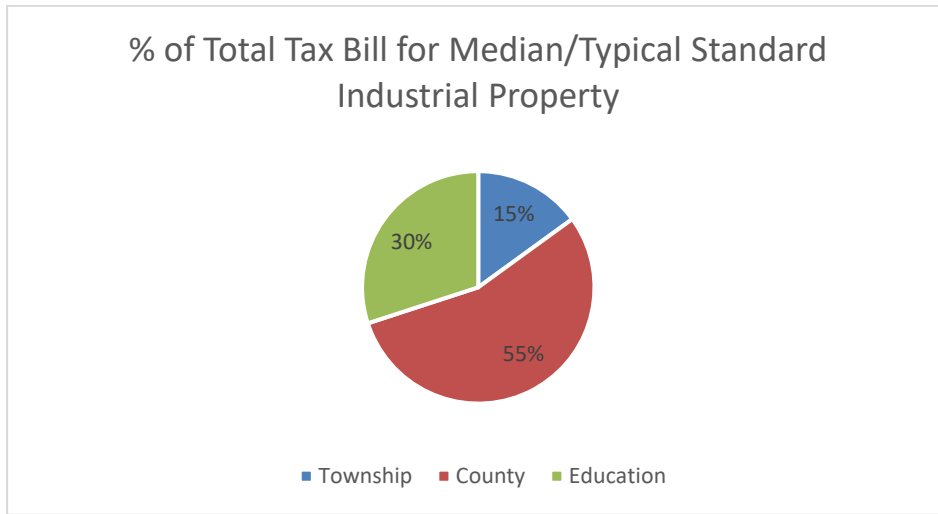
| Description | % of Total Tax Bill | 2023 | 2024 | \$ Change from 2023 | % Change from 2023 |
|---|---------------------|------------------|------------------|---------------------|--------------------|
| Median Assessment | | \$523,000 | \$523,000 | \$0 | 0% |
| Yearly Township Taxes | 13% | \$1,433 | \$1,491 | \$59 | 4.10% |
| Yearly County Taxes | 47% | \$5,138 | \$5,375 | \$237 | 4.61% |
| Yearly Education Taxes | 40% | \$4,602 | \$4,602 | \$0.00 | 0.00% |
| Yearly Blended Taxes | 100% | \$11,173 | \$11,469 | \$296 | 2.65% |
| Yearly Township Taxes per \$100K Assessment | | \$274 | \$285 | \$11 | 4.10% |
| Yearly Blended Taxes per \$100K Assessment | | \$2,136 | \$2,193 | \$57 | 2.65% |



Median/Typical Standard Industrial Property

The following table shows that the proposed 2024 budget results in a Township tax increase of 4.10% and \$241 and a blended tax increase of 3.14% and \$1,213 on the median/typical standard industrial property (2023 Assessment - \$1,332,000; 2024 Assessment - \$1,332,000).

| Description | % of Total Tax Bill | 2023 | 2024 | \$ Change from 2023 | % Change from 2023 |
|---|---------------------|--------------------|--------------------|---------------------|--------------------|
| Median Assessment | | \$1,332,000 | \$1,332,000 | \$0 | 0% |
| Yearly Township Taxes | 15% | \$5,873 | \$6,114 | \$241 | 4.10% |
| Yearly County Taxes | 55% | \$21,065 | \$22,037 | \$972 | 4.61% |
| Yearly Education Taxes | 30% | \$11,722 | \$11,722 | \$0 | 0.00% |
| Yearly Blended Taxes | 100% | \$38,660 | \$39,872 | \$1,213 | 3.14% |
| Yearly Township Taxes per \$100K Assessment | | \$441 | \$459 | \$18 | 4.10% |
| Yearly Blended Taxes per \$100K Assessment | | \$2,902 | \$2,993 | \$91 | 3.14% |



Applicable Legislation and Requirements

Municipal Act, 2001

Engagement Opportunities

The Township has incorporated a number of engagement opportunities associated with the 2024 budget process as outlined below:

- Advisory Committee Budget Input

- Social Media Posts and/or Advertisements at Facebook.ca/TownshipofPuslinch and Twitter.com/TwpPuslinchON
- Township Website Banner and Budget Page at puslinch.ca/government/budget/
- Community Engagement Survey at EngagePuslinch.ca open from December 22, 2023 to January 31, 2024 at 12:00 p.m.
- Puslinch Today Advertisement
- Wellington Advertiser Advertisement
- Public Information Meeting on January 17, 2024 at 7:00 p.m.
- Media releases related to EngagePuslinch.ca survey and final budget highlights.
- Community Newsletter regarding final budget highlights which will be sent with the final tax bill in August 2024.

Attachments

Schedule A - Engage Puslinch Community Engagement Survey Results

Respectfully submitted:

Mary Hasan
Director of Finance/Treasurer