

The Corporation of the Township of Hamilton



REPORT TO: Mayor Cane & Members of Council

REPORT No: T 2021-02

SUBMITTED BY: Nusrat Ahmed, Treasurer

DATE: January 14, 2021

Subject: 2021 Draft Operating Budget

RECOMMENDATION: For Information Only ■

It is recommended that the Council of the Township of Hamilton enact as follows:

THAT Report T 2021-02, 2021 Draft Operating Budget, be received for Council information

ORIGIN/BACKGROUND:

The Township of Hamilton's annual budget process is a continuous, year round undertaking. Staff begin to work on the following year's budget submission soon after the current year's budget is approved. The 2021 Draft Operating Budget proposes a \$267,528 or 3.2% increase over the 2020 budget. Additional special budget meeting is scheduled to be held on January 28, 2021.

DISCUSSION:

The 2021 Draft Operating Budget proposes a 3.2% increase over the 2020 budget (Appendix "A").

TOWNSHIP OF HAMILTON 2021 Draft Operating Budget				
Excludes Building and Water				
2021 Budget Highlights				
	2020	2021	Variance	Variance
	Budget	Draft Budget (Fav)/Unfav		%
Expenditures				
Personnel	\$ 4,019,136	\$ 4,215,326	\$ 196,190	4.9%
Contribution to Reserve	670,106	665,610	(4,496)	-0.7%
Other Expenditure	5,577,643	5,681,404	103,760	1.9%
Total Expenditures	10,266,885	10,562,338	295,453	2.9%
Revenues				
Contribution from Reserve	(64,837)	(64,837)	-	0.0%
Other Revenue	(1,970,259)	(1,998,184)	(27,925)	1.4%
Total Revenue	(2,035,096)	(2,063,021)	(27,925)	1.4%
Net Budget	8,231,789	8,499,318	267,528	3.2%

Base budget pressures which are generally inflation pressures for maintaining services level presents a net impact of \$94,450 or 1.1%, followed by Annualization of \$73,100 or 0.9% and Council Targeted Initiatives of \$99,979 or 1.2%.

2021 Budget Highlights						
	2020 Approved Budget	Base	New	Annualization	Council Targeted	2021 Draft Budget
Expenditures						
Personnel	\$ 4,019,136	123,090	\$ -	\$ 73,100	\$ -	\$ 4,215,326
Contribution to Reserve	670,106	(4,496)	-	-	-	665,610
Other Expenditure	5,577,643	(6,219)	-	-	109,979	5,681,404
Total Expenditures	10,266,885	112,375	-	73,100	109,979	10,562,338
Revenues						
Contribution from Reserve	(64,837)	-	-	-	-	(64,837)
Other Revenue	(1,970,259)	(17,925)	-	-	(10,000)	(1,998,184)
Total Revenue	(2,035,096)	(17,925)	-	-	(10,000)	(2,063,021)
Net Budget	8,231,789	94,450	-	73,100	99,979	8,499,318
		1.1%	0.0%	0.9%	1.2%	

Base Budget

Base Budget pressures are about \$94,450 or 1.1%.

- Personnel base expenditure pressure has an increase of \$123,090 or 3.1% which includes cost of living adjustment provisions, adjustments to benefit rates and step-rate increases.
- Contribution to reserve saw decrease of \$4,496 or 0.7%.
- Other expenditure is decreasing by \$6,219 or 0.1%.
- Contribution from reserve is flat lined for 2021.
- Other revenue is increasing by \$17,925 or 0.9% mainly due to revenue increase in Fire and Public Works departments.

All base budgets were reviewed and scrutinized to ensure they were to contracted rates, reflect any efficiencies, and are in-line with actual costs.

Annualization

Annualization pressures are about \$73,100 or 0.9% for the 2 new positions approved in 2020.

Council Targeted Initiatives

Council Targeted Initiatives Budget pressures are \$99,979 or 1.2%.

1. Increase in Road Overlay program		69,979
2. To Repair drainage on Deerfield Drive		10,000
3. To Mitigate Parking Pressure during Pandemic	10000	
Funded from 2021 Safe Restart Support for Municipal Operating Budgets	-10000	0
4. Additional Tree Removal		20,000
TOTAL COUNCIL TARGETED INITIATIVE		99,979

Building Department

Building department is a self-sufficient department. Base budget is impacted by the increase in personnel expense which is mitigated by revenue budget increase.

2021 Budget Highlights - Building

	2020 Budget	2021 Draft Budget	Variance (Fav)/Unfav	Variance %
Expenditures				
Personnel	170,284	174,200	3,917	2.3%
Contribution to Reserve	-	-	-	
Other Expenditure	21,250	21,250	-	0.0%
Total Expenditures	191,534	195,450	3,917	2.0%
Revenues				
Contribution from Reserve	(3,683)	(3,683)	-	0.0%
Other Revenue	(187,850)	(191,767)	(3,917)	2.1%
Total Revenue	(191,533)	(195,450)	(3,917)	2.0%
Net Budget	(0)	0	0	

Base Budget

- Personnel base expenditure pressure has an increase of \$3,917 or 2.3% which includes cost of living adjustment provisions and adjustments to benefit rates.
- Revenue is increasing as budget is aligned with prior year's actual.

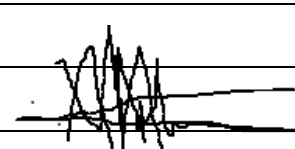
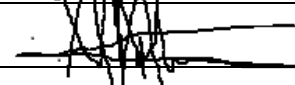
Strategic Plan

Ensure high financial performance standards are in place for planning and implementation of capital infrastructure and development projects.

ATTACHMENTS

- Appendix A - 2021 Operating Budget by Department
- Appendix B – Reserve and Reserve Fund Balances
- Appendix C – Efficiency Fund Status

Report is electronically reviewed and approved by the Treasurer and CAO on January 2nd, 2021.

Title	Official	Signature	Date
Treasurer	Nusrat Ahmed		
Chief Administrative Officer	Arthur Anderson		2021.01.02



TOWNSHIP OF HAMILTON
2021 Draft Operating Budget by Department

	2020 Budget	2021 Draft Budget	\$ Change	% Change	Base	New	Annualization	Council Targeted Initiatives
General Government								
General Government Revenues	(825,540)	(833,300)	(7,760)	0.9%				
PIL and Other Revenues	(370,000)	(370,000)	0	0.0%				
Council	136,766	139,666	2,900	2.1%				
Administration	1,611,593	1,703,787	92,194	5.7%				
General Government Total	552,819	640,153	87,334	15.8%	6.8%	-	9.0%	-
Planning and Development								
Planning	90,042	90,640	599	0.7%				
Economic Development	3,500	3,500	0	0.0%				
Planning and Development Total	93,542	94,140	599	0.6%	0.6%	-	-	-
Building	(0)	0	0	0.0%	-	-	-	-
Protection Services								
By - Law Enforcement	50,890	52,670	1,780	3.5%	3.5%	-	-	-
Fire	1,037,194	1,040,750	3,556	0.3%	0.3%	-	-	-
Police	1,443,559	1,409,234	(34,325)	-2.4%	-2.4%	-	-	-
PSB	22,176	22,176	-	0.0%	-	-	-	-
GRCA	171,874	179,470	7,596	4.4%	4.4%	-	-	-
Emergency Management	3,000	4,000	1,000	33.3%	33.3%	-	-	-
Parking	10,630	10,630	-	0.0%	-	-	-	-
Animal Control	500	500	-	0.0%	-	-	-	-
Municipal Animal Services	57,072	57,072	-	0.0%	-	-	-	-
Protection Services Total	2,796,894	2,776,502	(20,393)	-0.7%				
Transportation Services								
Roads	3,495,564	3,662,219	166,655	4.8%	1.2%	-	0.7%	2.9%
Environmental Services								
Water	0	0	0	0.0%				
Recreation and Cultural Services								
Parks & Recreation	937,592	964,448	26,856	2.9%	2.9%	-	-	-
Library	304,579	311,056	6,477	2.1%	2.1%	-	-	-
Recreation and Cultural Services Total	1,242,171	1,275,504	33,333	2.7%				
Community Grants and Other Committees								
Health and Safety	6,000	6,000	0	0.0%				
Community Services Grant	19,500	19,500	0	0.0%				
Heritage Committee	6,500	6,500	0	0.0%				
Accessibility	9,000	9,000	0	0.0%				
Physician Recruitment	9,800	9,800	0	0.0%				
Community Grants and Other Committees Total	50,800	50,800	0	0.0%	-	-	-	-
Total Levy Requirement	8,231,789	8,499,318	267,528	3.2%	1.1%	0.0%	0.9%	1.2%
Increase to current taxbase			8,454,048	2.7%				
Projected Growth			45,270	0.5%				
			8,499,318	3.2%				

Reserve and Reserve Fund

Description	Reserves & Reserve Funds Balances as of Dec. 31, 2019 T2020-11	2020 and Prior Year's Commitment	Projected 2020 Ending Balance	2021 OPERATING BUDGET		2021 CAPITAL BUDGET		Projected 2021 Ending Balance
				Contribution to Reserve	Contribution from Reserve	Contribution to Reserve	Contribution from Reserve	
RESERVE & RESERVE FUNDS								
COUNCIL RETIREMENT RESERVE	(3,600)	(510)	(4,110)	(510)				(4,620)
HERITAGE RESERVE	(15,913)	(5,000)	(20,913)	(5,000)				(25,913)
ADMINISTRATION FACILITY RESERVE	(41,968)	-	(41,968)					(41,968)
ELECTION RESERVE	(72,367)	(10,000)	(82,367)	(10,000)				(92,367)
ADMIN IT RESERVE	(29,900)	(7,650)	(37,550)	(17,700)				(55,250)
HOSPICE RESERVE	(43,120)	26,000	(17,120)		17,120			0
GENERAL RESERVE - CONTINGENCY	(1,549,205)	(160,112)	(1,709,317)	(23,900)	8,880			(1,724,337)
CEMETERY-BEWDLEY TRUST RES	(53)	-	(53)					(53)
ACCESSIBILITY RESERVE	(20,000)	-	(20,000)	(9,000)	9,000			(20,000)
ECONOMIC DEVELOPMENT RESERVE	(7,638)	-	(7,638)					(7,638)
PROVINCIAL EFFICIENCY FUNDING RESERVE	(609,906)	521,030	(88,876)		0		80,000	(8,876)
PLANNING RESERVE	(64,691)	15,000	(49,691)		15,000			(34,691)
BUILDING RESERVE	(195,456)	11,183	(184,273)		3,683			(180,590)
FIRE FACILITY RESERVE	(12,711)	-	(12,711)					(12,711)
FIRE VEHICLE/EQUIPMENT RESERVE	158,308	(83,000)	75,308	(160,000)			54,000	(30,692)
TOTAL FIRE	145,597	(83,000)	62,597	(160,000)	-	-	54,000	(43,403)
POLICING RESERVE	(135,330)	135,330	-					-
POLICE KIDS RESERVE	(8,336)	8,336	-					-
TOTAL POLICE	(143,666)	143,666	-	-	-	-	-	-
POLICE SERVICE BOARD RESERVE	(34,747)	4,337	(30,410)	(8,000)	12,337			(26,073)
ROADS VEHICLE/EQUIPMENT RESERVE	(216,075)	140,000	(76,075)	(305,000)		382,000		925
GRAVEL REHAB RESERVE	(291,461)	-	(291,461)					(291,461)
BRIDGE/CULVERT RESERVE	(171,529)	63,000	(108,529)	(12,000)		40,000		(80,529)
ROADS RESERVE	(707,405)	-	(707,405)					(707,405)
BEAVERMEADOW FINLAY GR	(7,655)	-	(7,655)					(7,655)
WINTER MAINTENANCE RESERVE	(145,799)	(4,000)	(149,799)	(4,000)				(153,799)
TREE REMOVAL RESERVE	(15,000)	-	(15,000)					(15,000)
STREETLIGHT RESERVE	(228,465)	(7,000)	(235,465)	(7,000)				(242,465)
ROADS NEEDS STUDY RESERVE	(46,274)	12,100	(34,174)	(10,000)				(44,174)
GENERATOR RESERVE	(40,000)	(10,000)	(50,000)	(10,000)				(60,000)
TOTAL ROAD	(1,869,663)	194,100	(1,675,563)	(348,000)	0	0	422,000	(1,601,563)
PARKS RESERVE	(48,245)	-	(48,245)					(48,245)
RECREATION FACILITY RESERVE	2,729	(60,000)	(57,271)	(60,000)		25,000		(92,271)
P & R VEHICLE/EQUIPMENT RESERVE	(182,416)	40,000	(142,416)	(20,000)		110,000		(52,416)
COLDSPRINGS PARK BOARD RESERVE	(25,074)	25,000	(74)					(74)
COLD SPRINGS HALL RESERVE	(24,165)	1,500	(22,665)	(3,500)	2,500			(23,665)
BEWDLEY COMMUNITY RESERVE	(7,098)	-	(7,098)					(7,098)
TOTAL PARKS	(284,269)	6,500	(277,769)	(83,500)	2,500	0	135,000	(223,769)
Total Reserve Excluding Water, Building Reserves, Efficiency Fund & MAS	(4,035,203)	123,331	(3,911,872)	(665,610)	64,837	-	611,000	(3,901,645)
PROVINCIAL EFFICIENCY FUNDING RESERVE	(609,906)	521,030	(88,876)	-	-	-	80,000	(8,876)
Building Reserve	(195,456)	11,183	(184,273)	-	3,683	-	-	(180,590)

Efficiency Fund Status

Details	Approval Year	Estimated Cost	Development Charges	Efficiency Funding
1 Work Order Program – Water and Roads and Parks and Rec	2020 Budget	\$ 25,000		\$ 25,000
2 Budget Analysis Software	2020 Budget	15,000		15,000
3 Strategic Plan / Performance Plan – Roll up and reporting	2020 Budget	68,000		68,000
4 Citywide Modules - HR & Payroll	2020 Budget	36,458		36,458
5 Citywide Modules - Building	2020 Budget	15,000		15,000
6 GIS Enhancements (new accelerated improvement)	2020 Budget	25,000		25,000
7 Service Review – ORG review	2020 Budget	40,000		40,000
8 Records Management System	2020 Budget	40,000		40,000
9 Communication Plan & Implementations	2020 Budget	25,000		25,000
10 Fire Master Plan	2020 Budget	95,000	37,500	57,500
11 Parks Master Plan	2020 Budget	75,000	33,750	41,250
12 Storm Water Drainage Plan - Baltimore	2020 Budget	100,000	50,000	50,000
13 CCTV Security System	2020 Budget	40,000		40,000
14 Generator Remote Monitoring	2020 Budget	15,000		15,000
15 Portable Traffic Lights	2020 Budget	35,000		35,000
TOTAL APPROVED IN 2020				528,208
16 IT Enhancement	2021 Draft Budget	80,000		80,000
TOTAL		\$ 1,021,958	\$ 121,250	\$ 608,208

Efficiency Funding Received on March 2019 \$ 617,084
Available Efficiency Funding \$ 8,876