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**To:** Mayor and Council

**From:** Jas Rattigan, Director of Finance

**Date:** January 16, 2023

**Subject:** Proposed 2023/2024 Budget & Business Plan

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### Report Highlights

- The Proposed 2023 Consolidated Budget (excluding program changes) proposes gross operating expenditures in the amount of \$28.9M and gross operating revenues in the amount of \$28.4M, plus net capital in the amount of \$21.2M; \$10.3M of new requests for 2023 and \$10.9M of carry forward from 2022; hence, gross operating expenditures exceed gross revenues by \$529,431.
- The Proposed 2023 Budget proposes an increase of \$63.10 to an average single family detached dwelling assessed at \$493,000; this equates to a 3.13% property tax increase over 2022 for the Township's portion.
- If the County of Simcoe approves its 2023 Budget with a 3.50% increase and the Provincial Government remains neutral on the education tax rate, then the blended tax increase (excluding Program Changes) is estimated to be 2.68%. For an average home assessed at \$493,000 this translates into a \$111.24 property tax increase over 2022 levels or approximately \$9.27 per month.
- The proposed budget aims to maintain – and in certain key areas, improve – service levels to Springwater residents; and invest in key infrastructure projects while being fiscally responsible.
- There are thirteen (13) program changes being proposed in the 2023 Proposed Budget, which have an additional net tax levy impact of \$289,736 or 1.72%.
- The Proposed 2023 Water and Wastewater Operating Budgets have been updated with a recommendation including a 2% increase to water rates and a 5% increase to wastewater rates (similar to 2022).
- Township staff have included a multi-year budget, providing Council the opportunity to approve “in principle” the 2024 Budget. Council will have the opportunity to officially adopt the 2024 Budget the following year, subject to any changes.

### Recommendation

That the report from the Director of Finance regarding the Proposed 2023/2024 Budget & Business Plan, dated January 16, 2023, be received; and,

That the Proposed 2023 Tax Based Operating Budget, Proposed 2023 Water Operating Budget, Proposed 2023 Wastewater Operating Budget and Proposed 2023 Capital Budget as presented January 16, 2023, be referred to the Special Budget Meeting of

Council for deliberation and consideration; and,

That a By-law to approve the Non-Union/Management Salary Grid, be presented for consideration at the February 1, 2023 meeting of Council for final approval; and,

That a By-law to approve the Water and Wastewater Rates for 2023 be presented for consideration at the February 1, 2023 meeting of Council for final approval; and,

That a By-law to approve the 2023 Fees and Charges Study be presented for consideration at the February 1, 2023 meeting of Council for final approval; and,

That the 2023 Tax Rate By-law be presented, including the County and Education Requisitions as soon as the Tax Ratios have been approved by the County of Simcoe; and,

That Council adopt the compliance report for 2023 expenses that have been excluded from the 2023 Proposed Budget presented January 16, 2023 and as outlined in the subject report as a requirement of Ontario Regulation 284/09 of the Municipal Act, 2001.

## Background

The purpose of this report is to establish a 2023 Budget for the Township of Springwater and fulfil legislated financial reporting requirements, such as Ontario Regulation 284/09.

### **Proposed 2023 Consolidated Budget (excluding program changes)**

The Proposed 2023 Consolidated Budget (excluding program changes) proposes gross operating expenditures in the amount of \$28.9M and gross operating revenues in the amount of \$28.4M, plus net capital in the amount of \$21.2M; \$10.3M of new requests for 2023 and \$10.9M of carry forward from 2022; hence, gross expenditures exceed gross revenues by \$529,431. This includes a 1% or \$174,400 contribution for Capital Infrastructure, 3.26% for COLA for non-union members and 2% for union members, as well as the non-union /management salary grid, **however excludes any proposed program changes.**

If approved as presented, the Township's 2023 Proposed Budget will result in a \$63.10 property tax increase (Township portion only) over 2022 levels for an average home assessed at \$493,000.

The Proposed 2023 Budget is being tabled on Monday, January 16, 2023 and includes two (2) full days of Council one-on-one sessions scheduled for January 17 and 19, 2023, service partner presentations January 18, 2023 and one (1) full day of budget deliberations scheduled for January 20, 2023. The final adoption/approval has been scheduled for February 1, 2023.

The Proposed 2023 Budget is a reflection of the resources required to meet the Township’s service delivery requirements to meet both our current and future population: residents and businesses. Further, it includes a number of strategic investment options required to implement the Strategic Priorities as set by the previous Council. The budget is the tool for setting the pace of achieving these goals through demonstration of the operating budget financial impact year over year.

At a special meeting of Council on September 13, 2021, Council of the Township of Springwater passed the following resolution:

**SC445-2021**

*Moved by: Coughlin*

*Seconded by: Moore*

*That Council hereby identifies the following Strategic Priorities for the remainder of the 2018-2022 Term of Council:*

- 1) *Continue progress on Phase 1 and 2 Development of Community Hub (Hasty Tract);*
- 2) *Completion of Service Delivery Review, including IT Master Plan;*
- 3) *Completion of Official Plan;*
- 4) *Completion of Comprehensive Compensation Review;*
- 5) *Enhance Staff Recognition Program/Negotiate Collective Agreement;*
- 6) *Continue to manage growth in a sustainable manner;*
- 7) *Finalize formation of new OPP Detachment Board;*
- 8) *Continue developing our Asset Management Roadmap, which includes Township Facilities (i.e., Future of Grenfel Community Hall);*
- 9) *Creation of Financial Policy Framework.*

**Summary of Proposed 2023 Consolidated Budget (excluding program changes)**

The table below provides a breakdown of the budget pressures/drivers facing the Township in 2023:

<b>2023 Budget Pressures/Drivers</b>	<b>\$</b>	<b>%</b>
<b>Increase in Expenditures:</b>		
Add: Non-Union Cost of Living Adjustment, excludes Library (3.26%)	168,746	1.01
Add: Union Cost of Living Adjustment (2%)	48,968	0.29
Add: Merit Increases and Annualized Costs for New Staff in 2022	75,664	0.45
Add: Statutory Deductions (CPP, EI, WSIB, etc., <i>excluding</i> OMERS)	82,075	0.49

<b>2023 Budget Pressures/Drivers</b>	<b>\$</b>	<b>%</b>
Add: Statutory Deductions – OMERS	103,654	0.62
Add: Increase in Long Term Debt annual payments	36,305	0.22
Add: Increase in Technology (Licensing including UKG Software, CaseWare Budget Book, etc.)	98,432	0.59
Add: Increase in Fuel	107,200	0.64
Add: Increase in Vehicle Repairs	86,800	0.52
Add: Increase in Insurance Premiums	61,885	0.37
Add: Increase in Training & Development, Memberships and Travel	13,751	0.08
Add: Increase in Transfer to Infrastructure Reserve 1%	10,800	0.06
Add: Increase in General Operating	4,643	0.03
<b>Decrease in Expenditures:</b>		
Add: Reduction in Swaley Drain Project costs	(132,268)	(0.79)
Add: Reduction in Contracts including Roads Winter Maintenance/Paved and Unpaved Roads Maintenance	(93,000)	(0.55)
Add: Reduction in Parks & Facilities Maintenance Contracts	(29,550)	(0.18)
<b>Increase in Revenue:</b>		
Add: Increase in Roads Aggregate Resource Fees & Charges	(75,000)	(0.45)
Add: Increase in Fire Call Revenues	(40,000)	(0.24)
Add: Increase in Investment Income	(50,000)	(0.30)
Add: Increase in Zoning Publications	(10,000)	(0.06)
<b>Decrease in Revenue:</b>		
Add: Decrease in Ontario Municipal Partnership Funding (OMPF)	115,748	0.69
Add: Decrease in Canada Student Grants	26,804	0.16

<b>2023 Budget Pressures/Drivers</b>	<b>\$</b>	<b>%</b>
Add: Reduction in Penalty on Taxes	10,000	0.06
Add: Reduction in Transfer from Reserves (Safe Restart Funding for Arena)	60,000	0.36
Add: Reduction in Transfer from Reserves (2021 Salary Savings to Fund Facility Supervisor)	90,911	0.54
<b>2023 Budget Pressures/Drivers (Township only)</b>	<b>\$772,568</b>	<b>4.60%</b>
<b>Service Partners:</b>		
Add: Library – Cost of Living Adjustment (3.26%)	10,804	0.06
Add: Library – Merit Increases and Statutory Deductions (CPP, EI, WSIB, etc.)	46,797	0.28
Add: Library – Net Increase in Operating Expenses	2,843	0.02
Add: Police – Net Increase	21,558	0.13
Add: NVCA – Increase in 2023 Levy (general and asset management)	11,241	0.07
Add: SSEA – Increase in general levy	3,276	0.02
<b>2023 Budget Pressures/Drivers (Service Partners)</b>	<b>96,519</b>	<b>0.58</b>
<b>2023 Budget Pressures/Drivers (including Service Partners)</b>	<b>869,087</b>	<b>5.18</b>
<b>Assessment revenue growth (estimated)</b>	<b>(339,656)</b>	<b>(2.05)</b>
<b>2023 Budget Increase Requirement</b>	<b>\$529,431</b>	<b>3.13%</b>

**Impact on Average Property Owner**

As indicated earlier, the 2023 Proposed Budget suggests a base budget increase of \$529,431 over 2022 levels. If approved as presented, the Township’s 2023 Budget will result in a \$63.10 property tax increase (Township portion only) over 2022 levels for an average home assessed at \$493,000.

If the County of Simcoe approves its 2023 Budget with a 3.50% increase and the Provincial Government remains neutral on the education tax rate, then the blended tax increase (**excluding program changes**) is estimated to be 2.68%. For an average

home assessed at \$493,000, this translates into a \$111.24 property tax increase over 2022 levels or approximately \$9.27 per month.

	2022	2023	Change (\$)	Change (%)
Township of Springwater	\$2,014.30	\$2,077.40	\$63.10	3.13%
County of Simcoe	1,375.64	1,423.78	48.14	3.50%
Education	754.29	754.29	-	-
<b>Total</b>	<b>\$4,144.23</b>	<b>\$4,255.47</b>	<b>\$111.24</b>	<b>2.68%</b>

**2023 Proposed Tax Based Operating Budget (excluding program changes)**

The Township’s proposed 2023 tax based operating budget, as presented in the 2023-2024 Budget Book, was developed based on Council’s Direction of August 3, 2022, as well as on the basis of maintaining the same services/programs and service levels that were provided in 2022.

The 2023 Directions Report was presented to Council at its regular meeting of Council on August 3, 2022 and was prepared to consider:

- a) The cost of maintaining existing programs/services at current levels;
- b) The costs associated with infrastructure that is operated and maintained by the Township;
- c) A reasonable estimate of assessment growth;
- d) Cost of living allowance (COLA) based on the twelve-month Ontario CPI average from June 2021 to May 2022;
- e) Anticipated 2023 workloads; and
- f) Water and wastewater based on the Township’s 2020 Water & Wastewater Rate Study). The needs for water and wastewater are significant over the Township’s long-range forecast. Staff recommend a 2% increase for water rates and a 5% increase for wastewater rates in 2023. Staff anticipate updating the Water and Wastewater Rate Study in 2023 for Council approval/adoption of the 2024-2026 rate schedule.

The proposed 2023 Tax Based Operating Budget consists of gross expenditures in the amount of \$23.4M and revenues of \$22.9M, thus gross expenditures exceed gross revenues by \$529,431. As such, the property tax increase of the proposed 2023 Tax Based Operating Budget is 3.13%. This includes the requirements for the Library and Conservation Boards/Authorities, as well as a 1% contribution for Capital Infrastructure and the non-union/management salary grid. **It does not include any program changes, nor does it include the County or Education.**

## Program Changes

Where new initiatives or resources are requested, Program Changes were required to be developed that identified the net impact to the Proposed 2023 Budget, as well as a business case/justification was required in order to support Council's consideration of each request.

The Proposed 2023 Requested Tax Based Operating Budget currently includes thirteen (13) program changes. They have been separated into two different categories; Township and Service Partners. The impact of these program changes, should they be considered by Council, would be in addition to the net tax levy requirement previously noted.

### Township Program Changes

There are twelve (12) staff/township-initiated program changes being presented to Council for consideration. The overall net impact for all twelve program changes is \$289,736 or 1.72%. The chart below provides the staff/township-initiated program changes:

Program Change	Department	Gross Costs	Revenue/ Cost Savings	Net Tax (\$)	Net Tax (%)
PC #1 – Community Engagement/Communications Officer	Office of CAO	\$100,908	\$100,908	-	-
PC #2 – GIS Coordinator	Information Technology	99,572	24,893	74,679	0.44
PC #3 – Fees and Charges Study	Finance	(205,484)	-	(205,484)	(1.22)
PC #4 – Water/Wastewater Rate Study	Finance	25,000	25,000	-	-
PC #5 – Fire Prevention Officer/Public Educator	Fire	88,289	-	88,289	0.52
PC #6 – Economic Development Officer	Planning	100,908	-	100,908	0.60
PC #7 – Junior Planner	Planning	74,357	74,357	-	-

Program Change	Department	Gross Costs	Revenue/ Cost Savings	Net Tax (\$)	Net Tax (%)
PC #8 – Roads & Fleet Equipment Operators 2.0 FTE	Infrastructure & Operations	132,986	132,986	-	-
PC #9 – Roads & Fleet Engineering Technologist	Infrastructure & Operations	85,632	28,688	56,944	0.34
PC #10 – Building Maintenance Technician	Infrastructure & Operations	67,233	67,233	-	-
PC #11 – Parks & Facilities Operator	Infrastructure & Operations	67,233	67,233	-	-
PC #12 – Additional 1% Capital Infrastructure Reserve	Infrastructure & Operations	174,400	-	174,400	1.04

In terms of complement impact, these changes would result in ten (10) new permanent full-time staff. The Program Change justification forms, or business cases, are included under the appropriate Divisions in the 2023/2024 Tax Supported Operating Budget section of the Budget Book.

### Service Partner Program Changes

As part of the annual Budget process, the Township includes requests from its service partners, including: the Springwater Public Library Board; Nottawasaga Valley Conservation Authority (“NVCA”) and the Severn Sound Environmental Association (“SSEA”).

The Proposed 2023 Requested Tax Based Operating Budget includes one (1) program change proposal from the Township’s service partners. The Springwater Public Library Board is proposing one (1) program change that would add no additional net tax levy as the request is funded by the Library Capital Reserve Fund. Further information on this program change can be found in the 2023-2024 Budget Book.

Staff are seeking Council’s consideration of these program changes (Township and Service Partners).

### Policing Charge

The Ontario Provincial Police (OPP) provides policing services to the Township of Springwater. Up and till 2020, the Township had implemented a special policing charge that appeared separately on the property tax bills. Through discussions with the



Province and our municipal property tax consultants, staff were advised that the special policing charge can no longer be charged as a special charge and must be included in the overall property taxation calculations. As such, in 2021, staff moved forward with this direction, which continues in 2023.

**Draft 10-Year Capital Plan and 2023 Capital Budget**

The 2023–2032 10-Year Capital Plan, as presented in the Proposed 2023/2024 Budget Book, was developed by staff identifying the highest priority needs the Township of Springwater is going to face over the next ten (10) years. In addition, it incorporates information from studies that have recently been undertaken (i.e. 2020 Roads Needs Study, 2020 OSIM Bridge & Culvert Inspections, draft 2020 Water & Wastewater Rate Study, and recently updated 20 year Water and Wastewater capital plan prepared by OCWA, etc.). The 10-Year Capital Plan proposes gross expenditures in the amount of \$184.4M, with sources of funding coming from reserves, reserve funds, development charges, grants, debt, other levels of government and taxation (operating budget). Of the \$184.4M in gross capital expenditures, \$127.8M is allocated towards growth related capital expenditures and \$56.6M is for renewal/rehabilitation of existing capital infrastructure.

**Proposed 2023 Capital Budget**

The Proposed 2023 Capital Budget is comprised of carry forward projects from 2022 in the amount of \$10.9M, as well as new capital requests for 2023 in the amount of \$10.3M, for a total Proposed 2023 Capital Budget of \$21.2M. It contains funding sources as follows:

Funding Source	Amount
Development Charges (some of which will require debt)	\$13.9M
Debt	1.3M
Water/Wastewater Reserve Fund	2.1M
Reserves	1.0M
Grants/Contributions	1.6M
Gas Tax	0.6M
Taxation (Operating)	0.6M
Library Capital Reserve Fund	0.5M

Some of the major capital projects being proposed in 2023 are as follows:

<b>Project</b>	<b>Gross Expenditure</b>
Fire Station 2 – Construction and Furnishings	\$7,700,661
Craig Road	4,567,446
Facility Condition Assessment Program	190,000
Phase 1 & 2 Multi-Purpose Complex Development (2022 Carry Forward)	626,399
Elmvale Library Branch – Full Branch Renovation Design	125,000
Golf Course Road	639,600
Wilson Drive	832,000
Mill Street West – Old Second North to Penetanguishene	175,000
Aerial Platform Ladder Truck (2022 Carry Forward)	702,000
New Tandem	265,000
New Loader	325,000
Replace #7 Tandem	290,000
Township-wide Transportation Master Plan	250,000
Watermain/Distribution System Upgrades	325,000
Water/Wastewater Master Servicing Plan	496,496
Gravity Sewer Replacement/Repair Work	372,500
CityView Planning Module	75,000

### **Proposed 2023 Water & Wastewater Operating Budgets**

In 2020, Township staff conducted an update of the Water and Wastewater rate structure through the assistance of Watson & Associates Economists Ltd. Scenarios were provided to Township Council at a Special Meeting of Council on November 4, 2020 and Council were requested to approve the updated Water & Wastewater Rates. The impacts of the rate study included a 2% increase in Water Rates and 5% increase in Wastewater Rates, as identified below. Staff are recommending similar increases to 2023 and have requested a new Water/Wastewater Rate Study be conducted in 2023.

**Table C-14**  
**Township of Springwater**  
**Water Rate Forecast (Inflated \$)**

Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Water Billing Recovery	1,822,142	1,895,748	2,013,101	2,148,938	2,310,149	2,490,908	2,680,755	2,879,391	3,082,931	3,290,874
Total Volume (cu.m.)	942,950	964,010	997,310	1,037,630	1,087,850	1,144,010	1,200,350	1,256,510	1,310,510	1,362,170
<i>Increasing Block Rates (\$/cu.m.)</i>										
Block 1 (0-15 cu.m./month)	1.73	1.76	1.82	1.87	1.93	1.98	2.04	2.11	2.17	2.23
Block 2 (16-30 cu.m./month)	1.81	1.85	1.91	1.96	2.02	2.08	2.14	2.21	2.28	2.34
Block 3 (31-45 cu.m./month)	2.27	2.31	2.38	2.45	2.53	2.60	2.68	2.76	2.85	2.93
Block 4 (45+ cu.m./month)	3.18	3.24	3.34	3.44	3.54	3.65	3.75	3.87	3.98	4.10
Annual Percentage Change		2%	3%	3%	3%	3%	3%	3%	3%	3%

**Table D-9**  
**Township of Springwater**  
**Wastewater Rate Forecast (Inflated \$)**

Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Wastewater Billing Recovery	957,088	1,058,090	1,201,522	1,378,332	1,595,933	1,852,046	2,132,078	2,429,518	2,744,713	3,077,498
Total Volume (cu.m.)	390,648	411,708	445,008	485,328	535,548	591,708	648,048	704,208	758,208	809,868
Constant Rate	2.45	2.57	2.70	2.84	2.98	3.13	3.29	3.45	3.62	3.80
Annual Percentage Change		5%	5%	5%	5%	5%	5%	5%	5%	5%

Not all residents of Springwater are connected to municipal water and/or wastewater services; only those benefitting properties are charged the water and/or wastewater rate.

**Ontario Regulation – 284/09**

Beginning in 2009, Ontario Regulation 284/09 required municipal accounting and financial statement reporting to change substantially with the adoption of full accrual accounting, and the requirement to record tangible capital assets. Under revised requirements set by the Public Sector Accounting Board (PSAB), the following items are required to be reported in municipal financial statements:

- amortization expenses on capital assets;
- future post-employment benefits expenses;
- future solid waste landfill closure/post-closure expenses.

The Province recognized that the new reporting requirements caused a conflict between usual budgeting methods and financial reporting. Ontario Regulation 284/09 allows municipalities to be informed on the noted items without the need to budget for them.

The Township of Springwater does not have any post-employment benefits nor does it have any solid waste landfill closure and post-closure expenses. Therefore, the only cost not captured in the current budget is amortization expense.

Capital acquisitions are not accounted for as expenses; rather they are presented as additions to the asset base because they generate service benefits beyond one year. For accounting purposes, once the asset is acquired and put into service, the cost of the asset is amortized/ expensed over its useful life. The Township does not budget for amortization as it is a calculation of the asset's consumption and, therefore, is a non-cash item.

The Township has chosen to prepare its budget on a cash flow basis, rather than an accrual basis. Most municipalities have taken this approach because it is a more straight-forward and easy to understand method and it ensures that the Township is raising enough cash flow through the tax rate to fund our annual capital expenditures.

Under the PSAB reporting guidelines, the Township's estimated budgeted surplus/(deficit) on a full accrual basis would be:

	Total	Tax Supported	Water/Wastewater Supported
Approved Budgeted 2022 Surplus/(Deficit) on a Cash Basis	-	-	-
<b>Add back:</b>			
Budgeted Capital Expenditures	\$21,203,667	\$19,086,167	\$2,117,500
Principal Portion of Long-Term Debt	853,243	853,243	-
<b>Subtract:</b>			
2023 Estimated Amortization Expense	(6,278,977)	(5,581,232)	(697,745)
Proceeds of Long-Term Debt	(3,593,591)	(3,593,591)	-
<b>Estimated Budgeted 2023 Surplus/(Deficit) on Full Accrual Basis</b>	<b>\$12,184,342</b>	<b>\$10,764,587</b>	<b>\$1,419,755</b>

The budgeted surplus is strictly an estimate and may vary significantly from actual year end results. If all of the capital projects do not get completed, then the actual amount of capital expenditures added back will be lower, which would result in a lower estimated surplus or potentially a deficit.

The estimated surplus on a full accrual basis is not the complete picture of the future requirements. In addition to looking at the Township's full accrual surplus/(deficit), it is also important to compare the Township's amortization expense to the amount of funds

that the Township currently collects for future asset replacement. The table below provides further information:

	<b>Total</b>	<b>Tax Supported</b>	<b>Water/Wastewater Supported</b>
2023 Estimated Amortization Expense	\$(6,278,977)	\$(5,581,232)	\$(697,745)
<b>Add Back:</b>			
Transfers to Reserve/Reserve Funds for Capital Replacement	705,600	705,600	-
Taxation/User Fees currently collected to fund capital	1,627,857	640,750	593,670
Principal & Interest payments	1,115,222	1,115,222	-
<b>Surplus/(Shortfall) in Funding Capital replacement</b>	<b>(\$3,223,735)</b>	<b>(\$3,119,660)</b>	<b>\$(104,075)</b>

The amount of funding the Township currently sets aside for future capital replacement for water & wastewater infrastructure is anticipated to be in a deficit position. The more significant concern is that the Township does not have enough tax-based funding being set aside to fund the replacement of the Township’s tax-based infrastructure, particularly roads and related infrastructure. The only other stable funding source that the Township has to fund capital infrastructure is the Canada Community Building Fund (formerly known as Federal Gas Tax), which the Township currently receives approximately \$604K per year. This is not nearly enough to close the Township’s funding gap. The 2023 Capital Budget that has been proposed includes \$641K in the amount of funding from taxation (operating budget). In addition to this, Council may wish to consider increasing the tax funding set aside for asset replacement. The Proposed 2023 Budget includes 1% or \$174,400 to assist in funding the Township’s tax-based capital infrastructure. Staff are proposing a Program Change to add an additional 1% as per the Asset Management Plan.

**Financial Implications**

The implications of the Proposed 2023 Budget, as presented, are as follows:

- a) Tax Rate Operating Budget Impact – with the County of Simcoe proposing a 3.50% increase to their 2023 Budget and the education rate remaining revenue neutral, the overall (blended tax increase), excluding any program changes, would be 2.68%, which translates to a \$111.24 increase or approximately \$9.27 per month on an average home assessed at \$493,000.
- b) Program Changes – there are thirteen (13) program changes being proposed

in the Proposed 2023 Tax Based Operating Budget. Staff are seeking Council's consideration of all program changes; the net tax impact is an additional \$289,739 or 1.72%.

- c) Water & Wastewater Operating Budget Impacts – A 2% increase in Water Rates and 5% increase in Wastewater Rates are being proposed for 2023 (similar to 2022 rate increase) and have requested a new Water/Wastewater Rate Study be conducted in 2023.
- d) Ontario Regulation (284/09) – Calculations continue to highlight that the Township is not putting enough funds aside for future tax-based asset replacement needs which may impact future budgets. With this said, the Proposed 2023 Budget includes 1% or \$174,400 to assist in funding the Township's tax-based capital infrastructure. Staff are also recommending an additional 1% as a Program Change for Council's consideration.

### **Pillars of Commitment**

The above initiative supports the following Strategic Pillars of Commitment:

- Infrastructure, Financial Management & Service Delivery

### **Approvals**

**Submitted by:** Jas Rattigan, CPA, CGA, Director of Finance

**Approved by:** Jeff Schmidt, CPA, CGA, Chief Administrative Officer

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