



The Corporation of the Township of Huron-Kinloss

Budget Report

Report Title: General Revenue 2021 Budget

Prepared By: Jodi MacArthur, Treasurer

Department: Treasury

Date: Feb. 26, 2021

Report Number: TR-2021-02-7

File Number:

F05 BUD21

Attachments: Tax Rate Worksheet

Recommendation:

THAT the Township of Huron-Kinloss Council hereby receives for information Report No. TR-2021-02-7 prepared by Jodi MacArthur, Treasurer

Budget Overview:

2021 Proposed Budget

Total Net Revenue: \$10,590,994.00

Compare to:	Total Net Revenue	Difference (\$)	Difference (%)
2020 Budget	\$10,358,187.00	\$232,807.00	2.25%
2020 Actual	\$10,313,747.11	\$277,246.89	2.69%

Discussion:

General Revenue consists of funds raised through taxation, payments in lieu of taxes, penalty and interest on unpaid balances, interest earned and the Ontario Municipal Partnership Fund (OMPF) unconditional grant. The surplus from the prior budget is also allocated as revenue to directly reduce the amount of taxes that must be raised.

Treasurer's Comments:

We altered our cash management strategy in the early days of the pandemic to protect principal and subsequently maximize interest once the economy became more stable. We were also able to secure a slight increase in our deposit interest

rate during the renewal of our banking services agreement. These actions helped replace the loss of penalty during the period that we provided relief due to the pandemic.

There were a number of properties that lost their farmland classification and were classed as residential on the 2020 returned roll. This resulted in write offs of residential taxes when it was confirmed that they were entitled to the farm tax rebate program.

The Province wide reassessment that was scheduled to take place for 2021 was put on hold due to the pandemic. There is no indication when it will be implemented. Therefore, the total assessment base from 2020 to 2021 has only been impacted by growth and in year property changes. Our total taxable assessment increased by 0.82%. This means tax revenue would increase by just over \$27,000 without having to change the tax rate. To balance the draft 2021 budget, we require a total levy of just over \$9 million and a tax rate increase of 1.92%.

The Province has reduced the 2021 education tax rate for the business tax classes to provide relief. They have, however maintained the rate for payments in lieu where the municipality is permitted to retain the education portion so as not to cause hardship for municipalities.

Strategic Alignment / Link:

The information provided in this report is consistent with and in keeping with the Municipality's Vision & Mission. The recommendations contribute to our goals in achieving an accessible community by being open and transparent.

Respectfully Submitted By:

Jodi MacArthur, Treasurer

Approved By:

Mary Rose Walden, Chief Administrative Officer