

# ANNUAL BUDGET

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2023



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# A Message from the CAO| Clerk

Paul Shipway

In 2022, the Municipality of Central Elgin continued to face the impacts from globalized events including inflation and significant supply chain issues. Through a foundation of digitization, modernization and collaboration the Municipality was able to absorb and adapt to these changing realities. Further, these proactive efforts establish the framework for the Municipality to take action on exciting future initiatives.

While digitization and provision of services online is becoming the standard, we are only at the initial stages of how software will empower the Municipality to further innovate and enhance services. The more stakeholders and staff utilize these tools, the more collaboration and feedback opportunities for improvement to enhance services and improve outcomes.

Staff remain focused on supporting the Council vision for the future of the Municipality. These efforts are based on the common objectives to seize opportunities to improve quality of place in Central Elgin today and its prospects for tomorrow. Through this, staff will continue to modernize and continuously improve to provide a fiscally responsible and business friendly culture in a timely and sustainable manner. The 2023 Budget is an important step in this process.

Collaboration has been a constant theme in 2022, and like in 2021, the community and the efforts of individuals, businesses and community organizations have been critical to the Municipality.

I would like to acknowledge the dedication of Council, staff, committees and community organizations for all they have done over the past year. We invite you to review the 2023 Budget Report and see how we continue to collaborate to deliver positive outcomes for all municipal stakeholders.

# A Message from the Director of Finance | Treasurer

*Archana Gupta-Harit*

On behalf of all staff, we are excited to table the Municipality of Central Elgin 2023 Budget for Council consideration. On April 13, 2023, the newly appointed Council directed changes to the proposed budget and approved the 2023 Budget with a tax rate increase of 0% over 2022, that translates to a tax levy of 17.02 M.

In 2022, prudent and conservative financial measures allowed the Municipality to continue investing in infrastructure while working to modernize and enhance existing services. At the same time, the Municipality has been looking ahead to growth and renewal. The proposed budget's 5 year capital plan reflects continued significant investments in infrastructure including roads, water and wastewater systems and other assets.

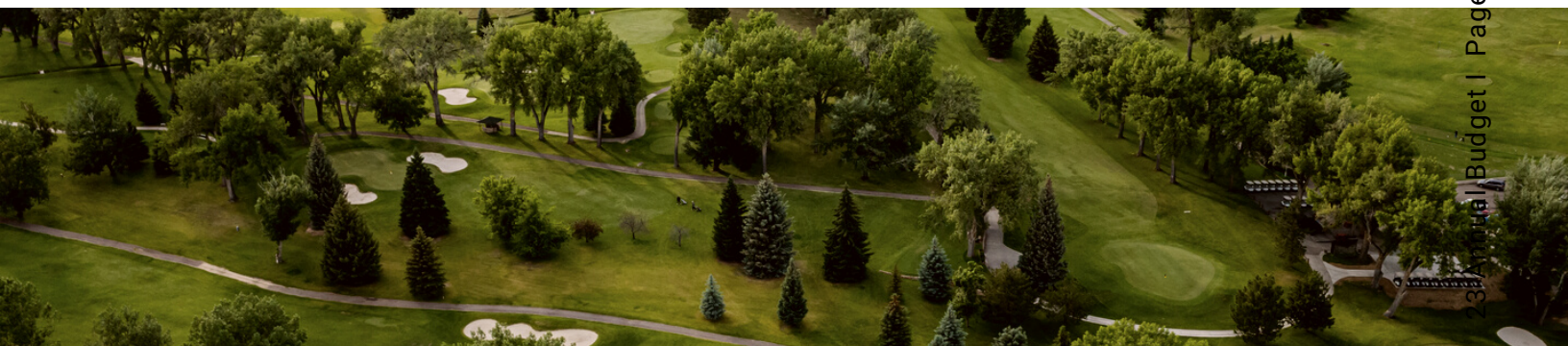
Through sound governance, prudent fiscal planning and policies, the Municipality will continue to provide excellent services to its stakeholders. The 2023 budget supports key services, growth needs, and preserves the Municipality's continued commitment to strong financial management.

The Municipality's fiscal strategy has the goal of ensuring financial sustainability. Long-term financial sustainability for the Municipality will depend on meeting capital spending needs in a way that is cognizant of current and future financial requirements.

The Municipality acknowledges that as stakeholders, it's important that you are informed about the municipal budget and that you have an opportunity to share your input. Towards this common objective, a 2023 budget survey was conducted in July 2022. The primary take-away from the 2023 budget survey was that the services the Municipality provides are generally satisfactory to stakeholders. The Municipality recognizes the opportunity to build and improve on this stakeholder assessment and commits to do the same into the future. For more comprehensive budget survey analysis please refer to Appendix A.

The Municipality's financial management has sustained its fiscal performance over the past year. The budget generally contains assumptions based on historical precedent and future projections. The Municipality continues to develop a multi-year (2 year) Operating Budget and (a 5 Year) Capital Budget; with 2023 estimates to be approved and adopted and draft 2024 and beyond year budgets to be presented for business continuity purposes.

For additional information on the 2023 Budget please contact Archana Gupta-Harit, Director of Financial Services/Treasurer of the Municipality of Central Elgin. ([agupta-harit@centralelgin.org](mailto:agupta-harit@centralelgin.org))



# About Central Elgin

Located in Southwestern Ontario on Lake Erie, the Municipality of Central Elgin is a community of communities. Each community has unique experiences to offer visitors and residents alike. Whether people enjoy golfing, theatre, fine dining, local vineyards, farming, history or just nice relaxing evening strolls in the outdoors or on the beach, Central Elgin has all the bases covered. The Municipality of Central Elgin was formed in 1998, through the amalgamation of the Township of Yarmouth with the Villages of Belmont and Port Stanley and is part of the London census metropolitan area.



The Municipality of Central Elgin acknowledges that it is located on the land of the McKee Treaty that was signed by the Wyandot and by Anishinaabe Nations, including ancestors of Chippewas of the Thames First Nation. It is also the traditional territory of the Haudenosaunee, Attiwonderonk (Neutral) and Mississauga Nation. These First Nations continue to provide ongoing stewardship of the land and waters in the Municipality of Central Elgin.

# Quick Facts



Central Elgin is located in Southwestern Ontario, in Elgin County on Lake Erie, with a total area of 280.33 km<sup>2</sup> (108.24 sq. m). Central Elgin surrounds St. Thomas and shares the City of London's southerly boundary.

The Municipality includes the population centres of Port Stanley and Belmont. Other communities include Eastwood, Dexter, Lawton's Corners, Lyndale, Lynhurst, Mapleton, New Sarum, Norman, Sparta, Union, Whites and Yarmouth Centre.



Central Elgin is committed to facilitating local economic growth and prosperity, and ensuring that the infrastructure and development policies are in place to provide for a healthy community that meets the social, economic and cultural needs of residents and business.

Central Elgin's employed labour force size has increased over the 2016 to 2021 period, with a total employed labour force of 6,795 in 2021.

The Central Elgin labour force has a relatively low concentration of those who live and work within the Municipality. As of 2021, approximately 20% of Central Elgin's employed labour force live and work in the Municipality or work from home.

A relatively large share (69%) of Central Elgin's employed labour force commute outside the Municipality for employment.

Central Elgin is home to agriculture, creative, manufacturing, and tourism sectors with easy access to Highways 401, 402, and 403.

Railways, airports, and marine ports are all within proximity to Central Elgin.



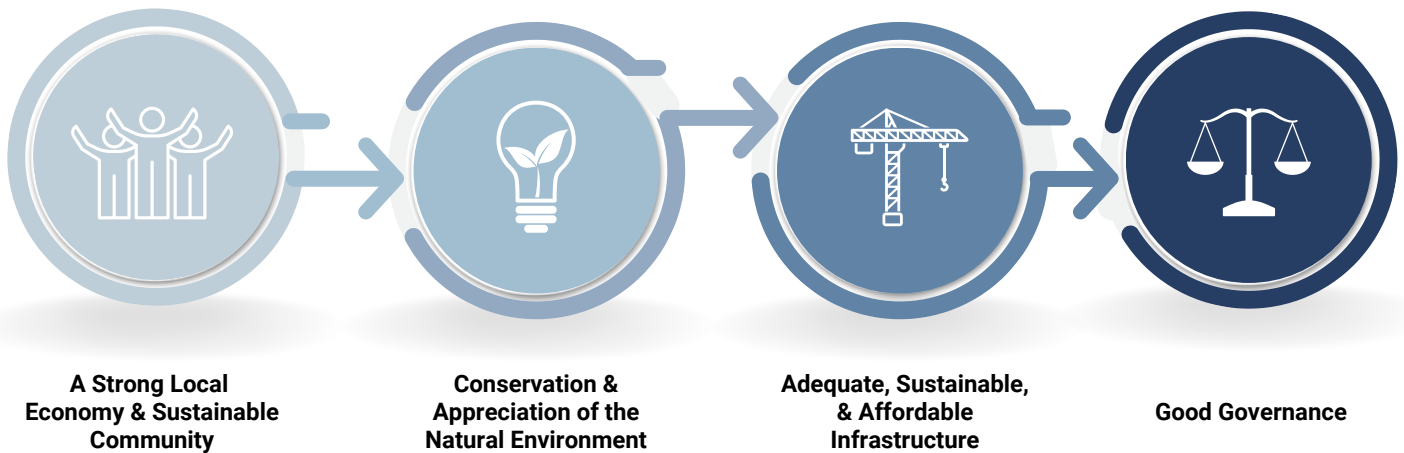
Population in Central Elgin is forecast to increase from 13,746 in 2021 to 18,200 by 2046, representing a population increase of 1.1% annually over the 25-year period.

By 2046, the housing base is forecast to increase to 7,700 households, from 4,930 in 2016 (representing an increase of approximately 2,770 new households).

# Strategic Plan

The Municipality of Central Elgin continues to work to develop the Municipality through responsible management and long range planning, while maintaining regard for urban, agricultural, tourist, and recreational communities, with a vision for economic stability.

In 2019, the Municipality of Central Elgin Council approved the 2019-2022 Strategic Plan. The plan outlines priorities within four key goals:



The Strategic Plan is used by Central Elgin to align corporate goals and annual budgets with Council priorities. The Municipality continues to work to ensure that stakeholders remain healthy, engaged, and receive excellent services.

The 2023 Budget is in alignment with the existing Municipality of Central Elgin Strategic Plan. Future budgets will be aligned with the 2023-26 Strategic Plan that is expected to be completed in 2023 with the 2022-2026 Council of the Corporation of the Municipality of Central Elgin.



# Municipal Services

## The Municipality provides

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Animal Control  
Building Services  
By-law Enforcement  
Cemeteries  
Development Services  
Economic Development  
Fire and Emergency Services  
Waste Collection  
Municipal Drains  
Road Maintenance & Capital Works  
Street Lighting  
Parks and Recreation  
Water and Wastewater

## The County provides

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County Roads - Capital Works  
Land Ambulance Services  
Social Services and Housing  
Public Health Services  
Library Services  
Homes for the Aged  
Land Use Planning Approval Authority  
Economic Development





# 2023 Budget Overview

The Municipal Act, 2001 requires municipalities to prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality. Municipalities must adopt a balanced budget.

A municipal budget is a policy and planning document that outlines the Municipality's priorities, and is a balancing act between often competing priorities. The budget serves many purposes for the Municipality, including a financial framework within which municipal departments conduct operations and plan capital projects. The budget is also an accountability tool that provides for controls on spending by tracking variances between budgets and actual spending.

The development of each annual budget is an extensive, thorough process, involving stakeholder engagement, service and business continuity and reflecting Council decisions made throughout the previous year. The municipal priorities align with Council's approved [Strategic Plan](#).

Significant capital focuses for the 2023 Budget consist of:

- Harbour Dredging
- Funding allocated for 2023 Front Street Stabilization project to be transfer red to Reserve for future Reconstruction of Front Street
- Road Resurfacing Program
- Greg Tarry Park
- Eagle Ridge Trail
- Water Meter Replacement

Every year the Municipality of Central Elgin Council approves the operating and capital budget for the upcoming year. The operating and capital budgets outline how the municipality will use the finances to deliver the services to stakeholders. The operating budget focuses on the day to day expenses while the capital budget covers major infrastructure requirements. The operating budget is funded primarily through property taxes and user fees. The capital budget is funded through property taxes, user fees, reserves, development charges, debt and grants. Every year, the Municipality works to augment existing revenue sources through the attainment of competitive application based grants.

Overall the Municipality strives to ensure that every approved budget allows the municipality to continue to maintain existing levels of service to the community while minimizing the impact of tax increases on residents and businesses. This multi-year budget approach allows for the continued delivery of the programs and services that residents have come to expect and achieves all defined service levels, while investing in the long term sustainability of the municipality's essential infrastructure.

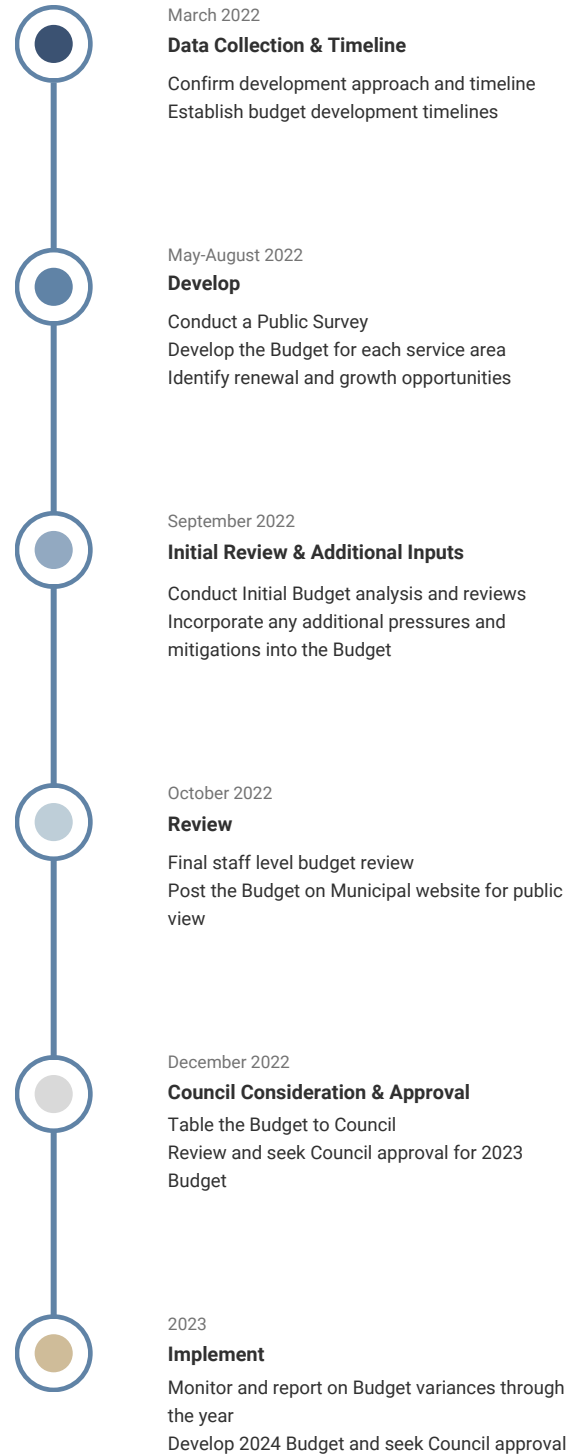
The 2023 Budget is for approval and adoption while the 2024 Budget and beyond is presented for business continuity purposes and will be revisited in 2023. Further, 2024 - 28 Capital Projects are subject to change and would evolve based on the needs of the Municipality. Any amendments to the budget made after the budget is approved by Council would require Council approval.

Please note that all reserves and reserve fund balances are estimates and subject to change with final year-end adjustments. 2022 actuals are as of November 30, 2022.

The Municipality is governed by provincial legislation, including but not limited to, the Municipal Act, Development Charges Act, Safe Drinking Water Act, and the Provincial Policy Statement. The 2023 Budget is informed by these regulations through the following documents, as well as financial policies:

- [Municipality of Central Elgin Asset Management Plan](#)
- [Municipality of Central Elgin Ontario Regulation 453/07 Water Financial Plan](#)
- [Municipality of Central Elgin Official Plan](#)
- [Municipality of Central Elgin Roads Need Study](#)
- [Municipality of Central Elgin Bridge and Culvert Inspections](#)
- [Municipality of Central Elgin Trails Master Plan](#)
- [Municipality of Central Elgin Recreation Master Plan](#)
- [Municipality of Central Elgin Development Charges Study](#)

## BUDGET PROCESS



# Municipal Administration

The Municipality of Central Elgin delivers services to its stakeholders through a staff compliment of 78 Full Time Employees and 113 Part Time Employees and five main service area's:

- Council
- Corporate Services
- Asset Management & Development Services
- Fire & Emergency Services
- Infrastructure & Community Services

The budget is therefore aligned to the departments as listed above and being outlined in the same sequence.

Please note that annual budgets are prepared using the fund accounting treatment and financial statements are prepared using the full accrual accounting treatment - For additional financial financial presentation information, please refer to Appendix 'C'.



# Budget Resolutions

On **May 24, 2022**, the Council of the Corporation of the Municipality of Central Elgin passed the following resolution:

**THAT** Report AMDS.13.22 re St. Thomas Animal Shelter Construction Project, Request for Funding be received for information;

**AND THAT** Council of the Municipality of Central Elgin refer the request from the City of St. Thomas to the 2023 Budget Deliberations.

Not included in the Budget as St. Thomas has not confirmed the amount owing. Will be considered by Council when St. Thomas provides the amount.

On **June 13, 2022**, the Council of the Corporation of the Municipality of Central Elgin passed the following resolution:

**THAT** the presentation of Thinc Design re: Port Stanley Waterfront Master Plan be received for information;

**AND THAT** the Council of the Corporation of the Municipality of Central Elgin adopt the June 2022 Port Stanley Waterfront Master Plan.

The Port Stanley Waterfront Master Plan includes estimated capital costs of \$33,477,000. As works associated with the Port Stanley Coastal Risk Assessment Study and Harbour Dredging Operations require planning and facilitation, actual components of the Port Stanley Waterfront Master Plan have not been included at this time in the 2023 Budget or Capital Plan.

On **June 27, 2022**, the Council of the Corporation of the Municipality of Central Elgin passed the following resolution:

**THAT** Report ICS.20.22 re East Road Multi -Use Path be received for information;

**AND THAT** Council defer the East Road multi-use path to 2023 budget deliberations.

Included in Capital budget as Item PW-04

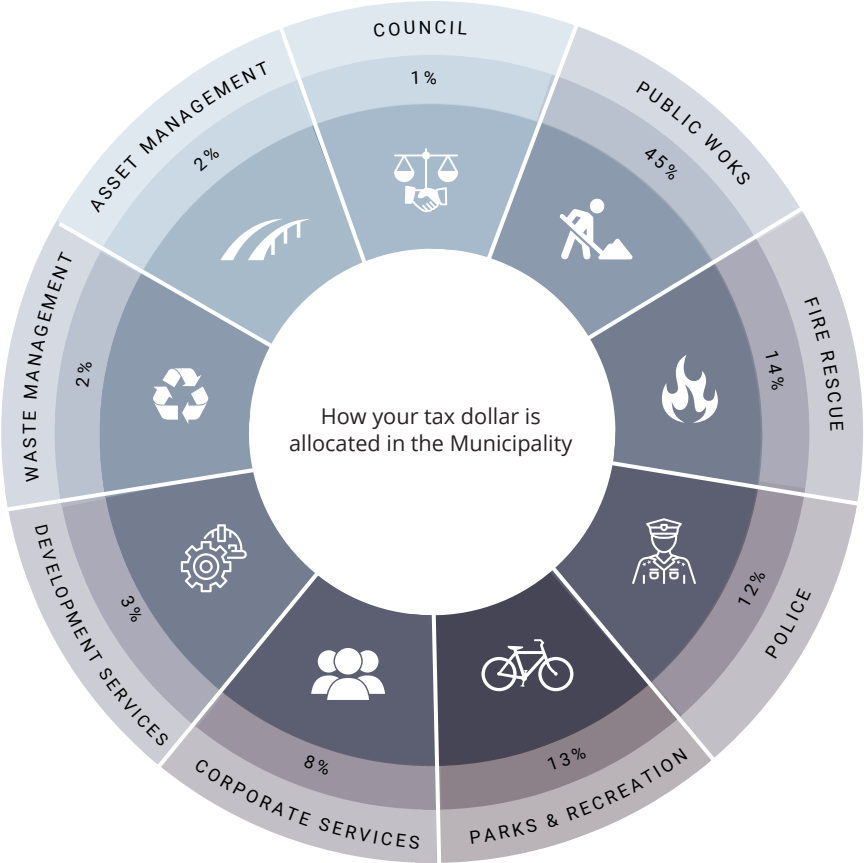
On **June 27, 2022**, the Council of the Corporation of the Municipality of Central Elgin passed the following resolution:

**THAT** Council direct staff to investigate, in the 2023 Budget, the placing of hanging floral baskets in the community of Sparta on approximately 20 poles.

This is included in the Parks operational budget and represents a cost increase of \$5,000 to bring the total hanging basket budget to \$56,000 plus labour costs.

# Property Tax

The 2023 tax levy for Central Elgin, as directed and approved by the Council on April 13, 2023 is approximately **\$17.02 million**, which results in a tax rate increase of **0%** over 2022. The chart below demarcates net expenditures to various service areas.



The 2023 tax levy will have the below impact on median current value assessments (CVA). These figures are derived from the Ministry of Finance Online Property Tax Analysis (OPTA) system.

CLASS	2022 AVERAGE CVA	2022 MUNICIPAL TAXES	2023 MUNICIPAL TAXES	0% TAX RATE CHANGE IMPLICATION FOR AVERAGE PROPERTY
Residential	\$270,000.00	\$2,257.12	\$2,257.12	\$0
Farm	\$769,000.00	\$1,478.58	\$1,478.58	\$0
Commercial	\$209,000.00	\$7,861.17	\$7,861.17	\$0
Industrial	\$385,000.00	\$7,161.44	\$7,161.44	\$0