



TOWNSHIP OF EDWARDSBURGH CARDINAL DISCUSSION ITEM

Committee: Committee of the Whole – Administration and Operations

Date: January 16, 2023

Department: Finance

Topic: 2023 Pre-Budget Presentation and 2023 Draft Capital Budget

Background: To provide Committee background information on what is involved in the budget process and give historical context on prior years results.

Included in this package are three reports:

1. 2023 Pre-Budget Background
2. Financial Indicator Thresholds (FIT) for Edwardsburgh/Cardinal
3. 2023 Capital Funding Analysis

Historically in the fall, the Treasurer prepares and presents a pre-budget presentation to give Committee an idea on where tax revenues come from and what tax rates have been year over year. Given there was an election in the Fall of 2022 this was postponed until the new Council was sworn in so the Treasurer could present this information to Council.

The Township also received a Financial Indicator Review in January 2023 from the Ministry of Municipal Affairs and Housing (MMAH). This shows the financial health and risk analysis of the Township in relation to other municipalities of similar size based on 2021 results. This is a tool that can be used for assessing options on how the Township finances long term capital projects.

For discussion, the 2023 Capital Funding Analysis is attached. Once it is determined which projects can be completed in 2023, Committee can then discuss how the projects will be funded.

Grant funding available for 2023 is as follows:

1. Canada Community-Building Fund (CCBF) (formerly Gas Tax) - \$234,736
2. Ontario Community Infrastructure Fund (OCIF) - \$486,079

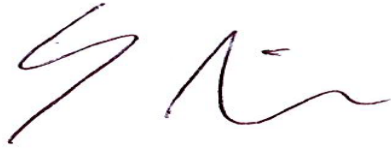
Also available for the 2023 Capital program is \$585,646 received from the Port of Johnstown.

WIP for 2022 is currently calculated at \$1,293,337. This is primarily allocated as follows:

1. Spencerville/Johnstown Drainage Project - \$967,379 (\$810,980 to be received from loan proceeds)
2. Edison Resurfacing - \$103,572
3. Mary Street Resurfacing - \$113,218

As recommended in the Asset Management Plan and municipal auditors, the annual capital spend (excluding WIP) for the Township should be \$2.7 million per year or 1.5 times the annual depreciation. 2022 depreciation is scheduled to be \$1.8 million.

For reference the 2022 approved Capital budget was \$4,120,079. \$874,378 was funded by taxation and the rest either from reserves, WIP, loan proceeds or grant funding.



Treasurer



CAO