

EXPENDITURES

1.0 GENERAL GOVERNMENT

This category includes costs associated with the general administration of the municipality.

1.1 COUNCIL

Includes all costs associated with the operation, maintenance, and support of the activities of Council, as well as costs associated with the Council chamber and official functions hosted by Council.

1.1.1 Remuneration for Councillors

- If Councillors are paid a specified amount for their work on Council, this amount is recorded here

1.1.2 Travel

- Accommodations
- Meals
- Per diems
- Transportation
- Mileage

1.2 GENERAL ADMINISTRATION

1.2.1 Salaries

- All wages and salaries
- Overtime
- Retroactive pay
- Holiday/vacation pay

1.2.2 Employee Benefits

- *Taxable benefits paid by the municipality, as an employer, directly to or on behalf of employees*
 - o Employer contributions to health and life insurance plans
 - o Clothing allowances
 - o Redundancy and severance pay
 - o Pensions, or RRSP contributions

1.2.3 Payroll Burden

- *Mandatory employer related costs*
- *Contribution made by the municipality, as an employer, for....*
 - o Workers compensation
 - o EI
 - o CPP
 - o Payroll Tax

1.2.4 Travel

- Accommodations
- Meals
- Per diems
- Transportation
- Mileage

1.2.5 Supplies

- *Ordinary consumer goods used in performance of duties or provision of services*
 - o Office supplies
 - o Cleaning and maintenance materials
 - o Postage costs
 - o Fuel oil
 - o Machinery parts
 - o Computer supplies
 - o Security systems
 - o Training supplies

1.2.6 Purchased Services

- *Any (administrative) services purchased by the municipality and intended for use in the operation of that municipality*
- Examples:
 - o Maintenance and service contracts with outside companies
 - o Telephone costs
 - o Photocopier service contract
 - o Leases and rentals of equipment and vehicles (assuming no loan involved)

1.2.7 Professional Services

- Fees and expenses of lawyers, accountants, engineers, PR specialists, IT specialists
- They may provide advice, conduct research, write reports, design strategies and systems

1.2.8 Insurance

- Insurance policies and programs for municipalities are usually all-encompassing and provide blanket coverage for most situations and municipal functions
- Travel and vehicular insurance

1.3 MUNICIPAL ELECTIONS AND BY-ELECTIONS

- Training
- Reproduction of required forms and ballots
- Per diems or honoraria for those running the elections and providing security services
- Awareness campaigns

1.4 PROPERTY ASSESSMENT SERVICES

- Fees charged by the Municipal Assessment Agency to provide property assessment services

1.5 COMMON SERVICES

1.5.1 Engineering Services

- When engineering services provided by a staff person, expenses are recorded here

1.5.2 General Maintenance

- Maintenance is needed for all of the key functions
- If it proves difficult to allocate maintenance costs to specific categories, then this section can be used

1.5.3 Professional Development and Training

- Recording expenses related to the training and development of Councillors and municipal staff
 - o Hiring trainers
 - o Membership fees (PMA, MNL)
 - o Registration or tuition fees for conferences, courses, workshops
 - o Travel related to training or development events
 - o Professional magazine or journal subscription

1.5.4 Public Relations

- Self promotion (developing promotional strategy, creating materials, arranging for the promotional activities)
- Donations to community organizations
- Scholarship funds
- Gifts and awards
- Public receptions

2.0 PROTECTIVE SERVICES

This category includes expenditures that provide for the protection and safety of residents.

2.1 FIRE PROTECTION

- Expenses related to the direct provision of this service OR the purchase of these services from another municipality
- Operation and maintenance of fire fighting vehicles
- Honoraria given to volunteer firefighters

2.2 EMERGENCY PREPAREDNESS AND RESPONSE

- Cost of the development, maintenance, and implementing the municipal emergency plan or a cooperative regional plan
- Emergency supplies
- Communication equipment dedicated to dealing with emergencies
- Cost of preparing for emergencies
- Ambulance services

2.3 ANIMAL AND PEST CONTROL

- Includes all animal and pest control EXCEPT pest control at landfill or garbage dump sites.

2.4 MUNICIPAL ENFORCEMENT

- Provision of municipal enforcement services
- Office, personnel and support staff
- Uniforms and equipment
- Specialized vehicle requirements

2.5 OTHER PROTECTIVE SERVICES AND INSPECTIONS

- If you conduct your own building inspections or...
- If you contract the work to an outside company

3.0 TRANSPORTATION SERVICES

3.1 VEHICLE AND FLEET MAINTENANCE

- Costs for operation, maintenance, and repair of cars, trucks, or heavy equipment (NOT dedicated to a specific function) owned or leased by the municipality
- Fire, enforcement, and recreation vehicles should be budgeted for under the appropriate category, if easy to allocate

3.2 ROAD TRANSPORT

3.2.1 Streets, Roads, Sidewalks, Bridges

- o Costs of non-capital design, construction, repairs, and maintenance

3.2.2 Snow Removal

- o Record here, whether done by municipality or contracted out

3.2.3 Street Lighting

- o Cost of purchasing electricity for street lighting

3.2.4 Traffic Services

- o Expenses planned for the location, provision for, and maintenance of **traffic lights, road signage, road painting...**
- o ...any other service regulating the flow of vehicular and pedestrian traffic

3.3 PUBLIC TRANSIT

- Providing for or contracting out any form of public transportation

3.4 OTHER TRANSPORTATION SERVICES

- For identifying costs that are not covered by any of the other Transportation Services program headings.

4.0 ENVIRONMENTAL HEALTH

4.1. WATER SUPPLY

- Non-capital costs associated with the provision of water to a municipality

4.2. SEWAGE COLLECTION AND DISPOSAL

- Non-capital costs of operating, repairing, maintaining municipally owned and operated sewage collection and disposal systems

4.3. GARBAGE AND WASTE COLLECTION AND DISPOSAL

- Whether provided by municipality or contracted out
- Animal and pest control expenses for landfill or dump site

4.4. OTHER ENVIRONMENTAL HEALTH SERVICES

- In case a cost cannot be allocated to a specific category

5.0 PLANNING AND DEVELOPMENT

5.1. PLANNING AND ZONING

- Development, maintenance, defense of a municipal plan
- Amendments of existing plan

5.2. COMMUNITY IMPROVEMENT AND DEVELOPMENT

- Beautification projects
- Cleaning up and recovering decaying areas for community use
- Long term programs for community development

5.3. REGIONAL DEVELOPMENT

- If a municipality is planning to enter into any regional development scheme or program, the costs associated with this type of venture should be recorded here

5.4. TOURISM AND MARKETING

- Promoting the municipality either from an economic standpoint or as a tourist destination
 - o Whether it is self-promotion, or working with external individual, company, or regional entity

5.5. OTHER PLANNING AND DEVELOPMENT

- Try not to use this section if you can allocate costs to a more specific one.

6.0 RECREATION AND CULTURAL SERVICES

6.1 RECREATION ADMINISTRATION

- Recreation Department's administrative costs
- Recreation Director's salary
- Recreation office expenses
- Cost of recreation support staff

6.2 RECREATION FACILITIES

- Administration, operation, maintenance, and repair of recreation facilities

6.2.1. Recreation and Community Centres

- Expenses related to operation of these centres

6.2.2. Parks, Playgrounds, and Playing Fields

- Expenses related to the operation of these facilities

6.2.3. Stadium

- Operation, maintenance, repair costs for indoor/outdoor stadium, arena, or rink

6.2.4 Swimming Pool

- Operating and maintenance costs

6.3 CULTURAL FACILITIES

- If a municipality operates or supports the operation of a museum, library, or other facility

6.4 RECREATION & CULTURAL PROGRAMS, ACTIVITIES, AND COMMUNITY EVENTS

- Expenses for any events that are planned for the various recreational / cultural facilities

6.5 OTHER RECREATIONAL AND CULTURAL SERVICES

- Use only when an anticipated expense cannot be directly allocated

7.0 FISCAL SERVICES

7.1. DEBT CHARGES FROM ALL SOURCES

Refer back to Debt Charges Summary on Page 1

- The total cost of all the loan repayments for the upcoming year

7.1.1. Council Annual Payment – municipality's portion of loan repayment

7.1.2. Provincial Annual Payment – provincial government's portion of loan repayment

7.2 TRANSFERS TO OWN RESERVES AND OTHER FUNDS

7.2.1 Provision for Uncollectible Taxes, Fees, and Charges

- Realistically, most municipalities never collect 100% of taxes, fees, and charges that are assessed annually.
- Therefore, it is necessary to budget for the shortfall.

7.2.2 Operating Deficit of Prior Year

- In an ideal world, at the end of the fiscal year, expenditures will equal revenues, OR, there may be a surplus of funds
- In reality, there may be a deficit, which must be factored into the next year's budget

7.2.3 Accumulated Deficit Reduction Plan

- Relates to addressing deficits that municipalities may have been carrying from year to year

- Setting up a plan to reduce your deficit over time
- If a municipality has accumulated a deficit of \$50,000, it might plan to pay off the deficit in 5 years @ \$10,000 a year

7.2.4 Discounts, Losses, and Allowances

- Use this whenever your municipality needs to budget for certain expected or potential losses
- Discounts on taxes paid before due date.
- Example: you purchase some goods with the intention of recovering some or part of the cost of these goods, but for some reason, this doesn't happen. Therefore, the 'loss', must be 'written off'.
- Example: outstanding property assessment appeals to be settled in the New Year – municipality has the potential to lose on the appeals with a potential loss of revenue. Therefore, you must budget for the potential loss.
- Example: upcoming legal action that could result in a loss of revenue or a pay out of funds.

7.2.5 Capital Expenditures out of Revenue

- When a municipality plans to spend any money from its revenue accounts to purchase items of a capital nature
- Approvals only needed if borrowing.

7.2.5.1 Gas Tax – eligible projects

7.2.5.2 All other

7.2.6 Authorized Transfers to Reserves and Other Funds

- Establishment of reserve funds must be authorized by Minister of Municipal Affairs
- Refers to the amount of money that Council is transferring to a reserve fund or funds

7.2.6.1 Gas Tax

7.2.6.2 All Other

7.3 BANK CHARGES AND OTHER FISCAL SERVICES

- Service fees charged by the bank or financial institution where the municipality conducts its business
- The expected interest to be charged on short term borrowings that a municipality may need to maintain its operational cash flow during the fiscal year. These loans are paid off before the end of the fiscal year.

REVENUES

1.0 TAXES AND RELATED REVENUES

1.1 Property Tax Information

1.1.1 Residential Property Tax

1.1.1.1 Mill Rate – property taxes levied on *value of assessed property*

- Calculate: assessed value x mill rate, then divide by 1000
- Example:
 - Home valued at \$200,000
 - Mil rate is 10
 - 200,000 multiplied by mil rate of 10, divided by 1000
 - Property tax would be \$2,000

1.1.1.2. Minimum Tax Method

- Each property pays a set amount, regardless of the assessed value of the property

1.1.1.3. Residential Grants in Lieu

- Paid by organizations that are NOT LIABLE for any taxation in the municipality.

1.1.1.4. Residential Exempt Properties

1.1.2 COMMERCIAL / NON-RESIDENTIAL

Grants in Lieu – paid by organizations NOT LIABLE for any taxation in the municipality

- Federal Govt.
- Provincial Govt.
- Crown Corporations
- Example: post office

Tax Agreement: arranged with private companies operating in a municipality when those companies ARE LIABLE for property and business taxes.

When using the usual tax methods would require the company to pay more than is reasonable and fair, the municipality will negotiate an agreed upon amount to be paid.

Instead of paying business tax and property tax, they enter into a tax agreement with the municipality.

Exempt Property

(Section 118)

- churches
- schools
- hospitals

1.3 OTHER TAXES

1.3.1 Poll Tax:

- See sections 126 and 127 of *Municipalities Act, 1999*.

1.3.2 Business Tax:

- annual tax imposed on businesses operating in that municipality

1.3.3 Utility Tax:

- Paid by utility companies to the municipality;
- Company pays a percentage (2.5%) of gross revenue in a municipal jurisdiction
- For example: I live in the town of Sampletown. If my light bill is \$200
 - Sampletown's utility tax would be 2.5% of \$200 = \$5
 - NF Power pays this to the town and it affects me in no way

1.3.4 Municipal Utility (Sales) Tax:

- A second tax that a municipality can add on to a utility bill that is collected directly from the consumer
- For example: If Sampletown had a municipal utility sales tax of 3%, my actual bill would be \$206
 - I would pay 3% of \$200 as a tax, which NF Power would then remit on to the town.

1.3.5 Direct Sellers Tax:

- door-to-door selling – annual, fixed amount tax

1.3.6 Other Authorized Taxes – those that are permitted under Municipalities Act, or are approved by Minister of MA

2.0 SALES OF GOODS AND SERVICES

Record anticipated revenue to be received from sale of goods and services provided by municipality to its residents, other municipalities, other governments or agencies.

3.0 OTHER REVENUE FROM OWN SOURCES

3.1 ASSESSMENTS, LEVIES, FEES AND CHARGES

- For example, if a Council is conducting work / improvements to water lines, storm systems, construction of curbs, gutters, sidewalks, and this work is benefiting property owners, then council may pass along a portion of this cost to property owners – “**local improvement assessment**’ (**Section 149**)
- If Council is engaging in work to develop municipal services or expand the capacity of such services, and this work makes the property capable of being developed or have an enhanced value, then Council may impose a charge called ‘**service levy**’ (**Section 149**)
- Fees or charges for services or activities provided by municipality (**entrance fees, registration fees, permits**)

3.2 RENTAL INCOME

- can include the **rental of council property** to other individuals or organizations
- space in the **municipal building**
- **equipment** owned by town (back hoe, mower, pumps)

3.3 INTEREST FROM INVESTMENTS

Example: GIC

3.4 INTEREST COLLECTED ON OVERDUE ACCOUNTS

- If municipality charges an interest rate of x% on all outstanding taxes collected after due date

3.5 OTHER REVENUE FROM OWN SOURCES

- Doesn't fit neatly into one of the other categories.

4.0 GOVERNMENT TRANSFERS

4.1 PROVINCIAL GOVERNMENT GRANTS AND SUBSIDIES

- Any funds received from the provincial government for any reason are recorded here

4.1.1 Municipal Operating Grant

- Provides Support to municipalities to meet their day-to-day operating expenses

4.1.2 Provincial Portion of Debt Charges

- Provincial government's portion of loan payments
- Taken from Debt Charges Summary on page 1

4.1.3 Other Provincial Grants and Subsidies

- Any other monies received from provincial government that doesn't fit into one of the other two categories.

4.2 FEDERAL GOVERNMENT GRANTS AND SUBSIDIES

- Includes monies received from the Federal Government or its agencies
- *Exception:* "Grants in Lieu of Taxes", which are recorded in that section of the budget form.

4.2.1 GAS Tax

4.2.2 Other Federal Grants and Subsidies

5.0 OTHER TRANSFERS

5.1 OPERATING SURPLUS OF PRIOR YEAR

- If you are fortunate enough to have a surplus, and wish to use all or a portion of it in the year being budgeted for, then the amount is recorded in this section.

5.2 TRANSFERS FROM AUTHORIZED RESERVES

- With departmental approval, reserve funds can be established to allow municipalities to set aside funds for special projects.
- If project is to begin in the coming year and funds from the reserve will be required, then the needed amount must be indicated in this section.