

Line-by-line Review of the
Municipal Budget



**The Corporation of the
Town of Bracebridge**

October 2020

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***Corporate Wide
Summary***

Study Overview and Benefits

The Town of Bracebridge has been proactive in undertaking a Line-by-Line Review of the Municipal Budget under the Provincial ***Municipal Modernization Program*** and issuing a request for proposal (RFP) to undertake a review of budgets, trends and leading practices. A study of this nature has many benefits, including, but not limited to:

- Ensuring that the Town is providing services in the most efficient and effective manner;
- Ensuring budgeting practices and strategies are aligned with leading practices;
- Rationalizing and understanding revenues and expenditures, trends and future challenges and opportunities;
- Identifying opportunities to fine tune budgeting processes;
- Ensuring that the Town's strategic pillars are aligned with services and resources;
- Ensuring that the Town is able to meet future demand for services and growth;
- Ensuring the technology is used to create efficiencies and improve customer service delivery;
- Ensuring that the Town is operating in a fiscally responsible and forward looking manner;
- Ensuring that the process, research and recommendations support accountability and transparency; and
- Ensuring that taxpayer affordability is maintained.

Study Components

Trend Analysis—This included extracting budget and actual revenues and expenditures and creating a financial model to identify trends from 2015-2020 by:

- Object of Revenue and Expenditure; and
- Activity, program and service.

Peer Cost of Service Comparative Analysis—The cost of service was compared to similar municipalities on a per household basis using 2018 Financial Information Returns (FIRs) as this was the most current and consistent data source available. In total, 15 municipalities were included. It should be noted that this comparative analysis does not indicate the efficiency or effectiveness of the service but provides insight into the relative cost of service in each municipality.

Financial Position Comparative and Trend Analysis - A separate report called the **Financial Condition Assessment** was completed as a value added service to the line-by-line review. This included information on socio-economic, financial indicators and levies. This report reflected many positive indicators in the Town of Bracebridge.



Findings and Observations – Leading Practices

- The next section of the report provides highlights of numerous leading practices that are already currently employed in the Town of Bracebridge.
- The detailed line-by-line review as well as a review of business plans, Master Plans, year-end reports and through discussions with Managers across the Corporation reflected practices that are already in place and/or are in the process of being implemented that reflect a progressive municipality.
- Leading practices were identified in the following areas:



Findings and Observations – Leading Practices in Bracebridge

Leading Practices

- ✓ The net levy per household and per \$100,000 of assessment is *lower* than the peer average of other municipalities surveyed on a consolidated basis. This was reflected in the Financial Condition Report using 2019 levy information. As will be shown in this Line-by-Line Report, the majority of services are below the peer average.
- ✓ The Town actively monitors budgets and reports on variances.
- ✓ Line-by-line budget development is undertaken, taking into consideration historical trends, future growth and service level changes in programs and services.
- ✓ Growth management planning is undertaken, with consideration for future expansion requirements including new facilities to meet community demands.
- ✓ The Town has a Strategic Plan that identifies goals and objectives which is used extensively to align with programs and services as well as budgets and business plans.
- ✓ Contracted and in-house services are reviewed regularly to optimize service delivery and efficiencies.

Findings and Observations – Leading Practices in Bracebridge

Leading Practices

- ✓ Debt policies are in place to guide the issuance of debt and to help maintain a sound financial position. The Town prudently issues debt to support growth-related capital projects.
- ✓ There are currently sufficient stabilization reserves to protect against having to reduce service levels or raise taxes and fees because of temporary shortfalls. It is however recommended that a formal Stabilization Reserve be established to ensure minimum Stabilization Reserve levels are maintained.
- ✓ The Town regularly tenders key contracts to ensure value for service in areas such as insurance, audit, banking – e.g. Recent tender resulted in savings in insurance costs.
- ✓ Shared service agreements have been established in a number of areas with other municipalities and the District to achieve savings and economies of scale. Joint service reviews are also initiated by the Town. Additional opportunities have been identified that may be pursued to create further efficiencies.

Findings and Observations – Leading Practices in Bracebridge

Leading Practices

- ✓ The Town's Investment Policy allows for participation in Prudent Investment through the ONE Investment Program which provides opportunities to enhance long term returns and mitigate risk.
- ✓ The Town proactively identifies surplus lands for disposition.
- ✓ The Town prepares a 10-year Capital Budget that identifies priorities and timeframes for capital projects and a financial plan for these projects, in accordance with Government Finance Officers Association (GFOA) leading practices.
- ✓ The Town has developed an asset management plan (AMP) to address future replacement requirements and establish annual contributions to the capital program.
- ✓ With the proactive capital asset renewal program, the road network is in an overall better condition than the previous reactive approach which has helped reduce overall repair needs.

Findings and Observations – Leading Practices in Bracebridge

Leading Practices

- ✓ Fire Dispatching services are provided through a contracted service by the Muskoka Central Ambulance Dispatch. The cost of this service has remained the same since 2015 and this approach is a leading practice.
- ✓ The Town is in the process of implementing a strategic approach to urban forest management.
- ✓ The Town has a unique fleet service delivery model where a contracted mechanic undertakes onsite work and three other vendors undertake basic work. As it is a contracted service, there is flexibility to reduce hours and costs based on workloads.
- ✓ Efficiencies were created by transferring maintenance of parks and trails from Recreation to Public Works.
- ✓ There is a new practice of incorporating Master Plan recommendations for service requirements into the Operating and Capital Budget.

Findings and Observations – Leading Practices in Bracebridge

Leading Practices

- ✓ The Town of Bracebridge participates in the District's tender for short term lease of vehicles which results in lower costs to Town.
- ✓ The Town is implementing a fleet Maintenance Management System (MMS) and business intelligence to incorporate into the asset management strategy.
- ✓ The Town undertook a streetlight replacement program to convert to light-emitting diode (LED) technology resulting in the conversion of 933 streetlights, resulting in savings of approximately \$100,000 annually.
- ✓ Efforts are being made toward the Modernization of the Planning and Building Application process to streamline application processes in planning. Once completed, it is anticipated that this will create efficiencies in the work processes as well as improved customer service. This includes future consideration of online services.

Findings and Observations – Leading Practices in Bracebridge

Leading Practices

- ✓ The Town provides a detailed annual report of planning and building activity to provide the following:
 - A measure of economic activity in the community;
 - To promote the value of services and activities;
 - To measure progress in areas such as Woodchester Villa, Community Improvement Plan, etc.;
 - To estimate resource requirements for the annual budget and business plan; and
 - To demonstrate to investors that Bracebridge is open for business
- ✓ Site plans have a number of delegated authorities which helps expedite the processes. Additional opportunities are being considered.
- ✓ There is no net levy impact associated with Building as it is operated as an Enterprise Model which is fully funded through fees. Further opportunities in this regard have been identified to reduce the levy by ensuring all indirect costs (Corporate costs) have also been included in the fee calculation.

Findings and Observations – Leading Practices in Bracebridge

Leading Practices

- ✓ The Town engaged a third party firm to complete a review of sales tax transactions to identify opportunities for recovery and confirm compliance with legislative requirements.
- ✓ The Town is working with District and the Town of Gravenhurst to procure and implement asset management software to assist in operationalizing the Asset Management Plan.
- ✓ The Town is evaluating, acquiring and implementing budgeting software to enhance the Town's budgeting process and allow for multi-year budgeting.
- ✓ A review and update to the Town's Purchasing and Asset Disposition Policies are being undertaken to ensure compliance with applicable legislation and value maximization.
- ✓ A comprehensive review of the Town's Employee Benefits Program is being undertaken as benefits are a significant component of the budgeted expenditures.

Future Opportunities and Recommendations

- The Town demonstrates many leading practices and planned new initiatives that are reflective of a progressive municipality.
- Opportunities have been identified in the next section of the report to support continuous improvement and further align the Town with leading practice research.



Future Opportunities and Recommendations

Opportunities

- ***Multi-Year Operating Budget*** - A multi-year budget is a document that authorizes a municipality's planned expenditures and anticipated revenues for two or more consecutive budgetary years. The advantages of multi-year budgeting include improved financial management, long-term strategic planning, improved program monitoring and evaluation, linking operating and capital activities, and efficiencies with resources. Multi-year budgeting is considered a best practice by the Government Finance Officers Association (GFOA) and has been embraced by many Ontario municipalities. This is a logical next step for Bracebridge, with a recommended timeframe to align with the term of Council.
- ***Improved Transparency of the Operating Budget*** - There is significant detail in the Operating Budget to understand line-by-line activity at the departmental level; however, it is currently difficult to understand the trends Corporately based on objects of expenditures in the budget document. E.g. How are salaries and wages trending? What is the use of contracts and consultants corporately? How much money does the Town spend on utilities, IT, etc. Including a roll-up and trend of objects of expenditure and revenues in the budget document would identify areas where additional analysis may be required.

Future Opportunities and Recommendations

Opportunities

- ***Improvements to Capital Budgeting*** - The existing approach to incorporating Capital Budget items in the Operating Budget and then presenting as part of the net levy creates challenges in analyzing budget to actuals and creates peaks and valleys at the departmental level. Many municipalities have a consolidated capital contribution account. Capital contribution trends would be more easily identifiable and would eliminate the volatility at the departmental level if a consolidated capital contribution approach were implemented.
- ***Consolidate Capital Reserves*** - The Town has 17 individual reserves used for capital purposes. With the existing practice of maintaining separate capital reserves, Corporate priorities may not be addressed because of a lack of funding in a specific reserve. Consolidating Capital Reserves would improve flexibility to address corporate priorities and reduce administration. This will require the establishment of targets and policies for usage and contributions. Details on the Capital Reserves is included in the Financial Condition Assessment.

Future Opportunities and Recommendations

Opportunities

- **Long Range Financial Plan (LRFP)** – A LRFP is an important part of the budgeting framework. It allows Council to monitor long term financial sustainability while working to address the needs and expectations of the community reflected in the Strategic Plan and related departmental plans and strategies. It is designed to encourage progress towards the Town's long-term financial goal of sustainability. Together with the Town's Strategic Plan, Asset Management Plan (AMP), and annual budgets, the LRFP can be an effective component of the Town's budget development and an integral part of ongoing planning efforts that support the delivery of community services. The LRFP will assist the Town with:
 - Ensuring long-term financial sustainability;
 - Delivering services in a cost-effective and efficient manner;
 - Identifying cost-recovery through user fees from consumers;
 - Managing the Town's capital assets;
 - Using debt financing where appropriate; and
 - Maintaining reserve and reserve funds at appropriate levels.See Appendix A for additional background information.

Future Opportunities and Recommendations

Opportunities

- ***Performance and Service Based Budgeting*** – The Town prepares a detailed Operating Budget with significant detail on revenues and expenditures as well as alignment with the Strategic Plan. The Town is in the early stages of developing performance measures which should be incorporated into the budget document. Performance measures show the effectiveness and efficiency of services and achievement towards organizational goals. Performance measurement plays an important role in:
 - Establishing an understanding of the expected results;
 - Tracking progress towards results;
 - Highlighting areas of risk and determining areas for priority attention; and
 - Assessing resource requirements.
- To best assess performance, it is suggested that a range of financial and non-financial measures be used to evaluate and monitor budget results.
- It is further recommended that the budget also include service levels and service standards to clearly articulate expectations and the cost of service for the respective levels of service.

Future Opportunities and Recommendations

Opportunities

- ***Additional Joint Purchasing/Contracts*** - While there are a number of areas where joint tendering and purchasing are currently being undertaken, there are additional opportunities for efficiencies to combine purchasing needs across departments and in co-operation with other municipalities. Bracebridge should continue to pro-actively work to identify other municipalities that can benefit from joint procurement and identify goods and services that are standardized which provide enhanced opportunities for joint procurement. Examples include combined purchasing of salt with all local municipalities and district, and vehicle purchases.

Future Opportunities and Recommendations

Opportunities

- **Stormwater Utility** - Consideration should be given to establishing a separate Stormwater Utility, consistent with the practice in a number of other jurisdictions. This practice helps to ensure adequate funding for increasing storm management requirements and provides a more equitable approach to funding stormwater operations. This would move the costs associated with stormwater management off property taxes and onto a separate bill. This improves fairness and equity as a different methodology would be employed to recover the cost of service, taking into consideration the size of the property, the type of customer and the impervious area.

Future Opportunities and Recommendations

Opportunities

- **Hydrant Charges** – The Fire budget includes \$42,000 for a hydrant charge paid to the District. A number of municipalities include a hydrant charge as part of the water utility rates. As such, it is recommended that the Town investigate the possibility of moving hydrant charges to the District and included in water rates.
- **User Fee Policies** – User fee policies should be established that identify all direct and indirect costs of the program and the portion of the costs that should be recovered from fees. This will provide all stakeholders with a better understanding of the cost of service and the appropriateness of the established fees. For example, Building fees which is 100% recovered from fees currently does not include all Corporate overhead cost. Including all indirect costs in fee calculations would reduce the tax levy. The policy should also identify the frequency with which cost of service studies will be undertaken.

Future Opportunities and Recommendations

Opportunities

- **Consolidation of General Ledger Accounts** – The analysis on a line-by-line basis reflected a need to refresh and consolidate like accounts. The current account structure reflects historical accounts that may no longer be required as well as accounts with very small budgets that do not add value by separating the accounts in the presentation of budget information.
- **Staff and Equipment Optimization** – There is a need to review the provision of parks and trails and winter maintenance to determine the best way to administer the programs by optimizing the staff that could migrate between winter and summer activities. This initiative is planned for 2021 (and is already underway) to determine if there are opportunities to better leverage the usage of Town equipment.

Future Opportunities and Recommendations

Opportunities

- **Potential Levy Reductions** – The Town has actively managed its budgets and made modifications to line items based on historical trends and assumptions for future expenditure requirements and revenue forecasts. Through our analysis we identified areas that merit additional review by Directors in each of the respective areas to determine whether there are opportunities to reduce the net levy requirements. We have focused on areas where there have been numerous years where underspending has occurred. A trend analysis was undertaken, comparing budgets with actual revenues and expenditures. In addition, a review of the 2020 Operating Budget was also undertaken to determine whether the historical trends were incorporated into establishing the 2020 Operating Budget.
- Our analysis identifies areas where further departmental rationalization of expenditures and revenues is merited.

Variance Analysis – Summarized – Potential Opportunities to Reduce Budget

| | Low | High |
|----------------------------------|-------------|-------------------|
| | Range | |
| General Government | \$ - | \$ 20,000 |
| Protection Services | \$ - | \$ 25,000 |
| Transportation Services | \$ - | \$ 48,000 |
| Health Services | \$ - | \$ 9,500 |
| Recreation and Cultural Services | \$ - | \$ 85,550 |
| Planning and Development | \$ - | \$ 52,000 |
| Total | \$ - | \$ 240,050 |

- The table above summarizes, at a high level the potential opportunities for reductions in the Net Operating Levy based on trend analysis.

Benchmarking Cost of Service – Comparator Analysis

- In total, 15 peer municipalities were included in the comparative analysis. Data was analyzed using the most current Financial Information Return (2018) on a per household basis.
- The issue with regards to benchmarks is that comparability is not as straight forward as there are differences in service levels that municipalities strategically choose that must be taken into consideration.
- However, the use of benchmarks provide information to prompt questions and start discussions which can potentially lead to identifying leading practices and ultimately improve municipal services. It can also assist in the discussion of comparable service levels.

| Region/District /County | Municipality | 2018 |
|-------------------------|-----------------|--------|
| Bruce | Kincardine | 6,187 |
| Grey | Georgian Bluffs | 5,202 |
| Grey | Owen Sound | 9,407 |
| Grey | West Grey | 5,852 |
| Grey | Grey Highlands | 5,502 |
| Muskoka | Bracebridge | 9,004 |
| Muskoka | Gravenhurst | 8,563 |
| Muskoka | Lake of Bays | 4,937 |
| Muskoka | Muskoka Lakes | 10,140 |
| Muskoka | Georgian Bay | 5,736 |
| Muskoka | Huntsville | 10,671 |
| Simcoe | Collingwood | 11,522 |
| Simcoe | Midland | 7,375 |
| Simcoe | Springwater | 7,796 |
| Simcoe | Clearview | 6,243 |
| Simcoe | Oro-Medonte | 11,530 |

Cost of Service Benchmarking Summary

The following chart summarizes 13 key operating areas where the Town of Bracebridge is operating below, at or above the peer average cost of the service. Note that this table does not imply inefficiencies in the operations where costs are above the average as it may be reflective of differences in the levels of services and programs offered.

| Below Average | At Average | Above Average |
|-----------------------------|------------|--|
| General Government | Parks | Bridges & Culverts |
| Fire | Planning | Streetlighting |
| Consolidated Roads & Winter | Library | Consolidated Recreation and Facilities |
| Traffic Operations | | |
| Conventional Transit | | |
| Accessible Transit | | |
| Urban and Rural Storm | | |

Trend Analysis – Operating, Capital and Debt

The Town's Budget includes two key elements to calculate property taxes:

- **Operating Budget** – Property taxes are based on the total operating expenditures less revenues, referred to as the Net Operating Levy
- **Capital Budget** – Net Capital Levy is the total capital spending less other sources of revenues such as grants, development charges, reserves, etc.
- To further help explain the total net levy, debt charges have been isolated as this is a driving factor in the budget. The table below reflects the change in the Total Net Levy increase from 2015-2020:

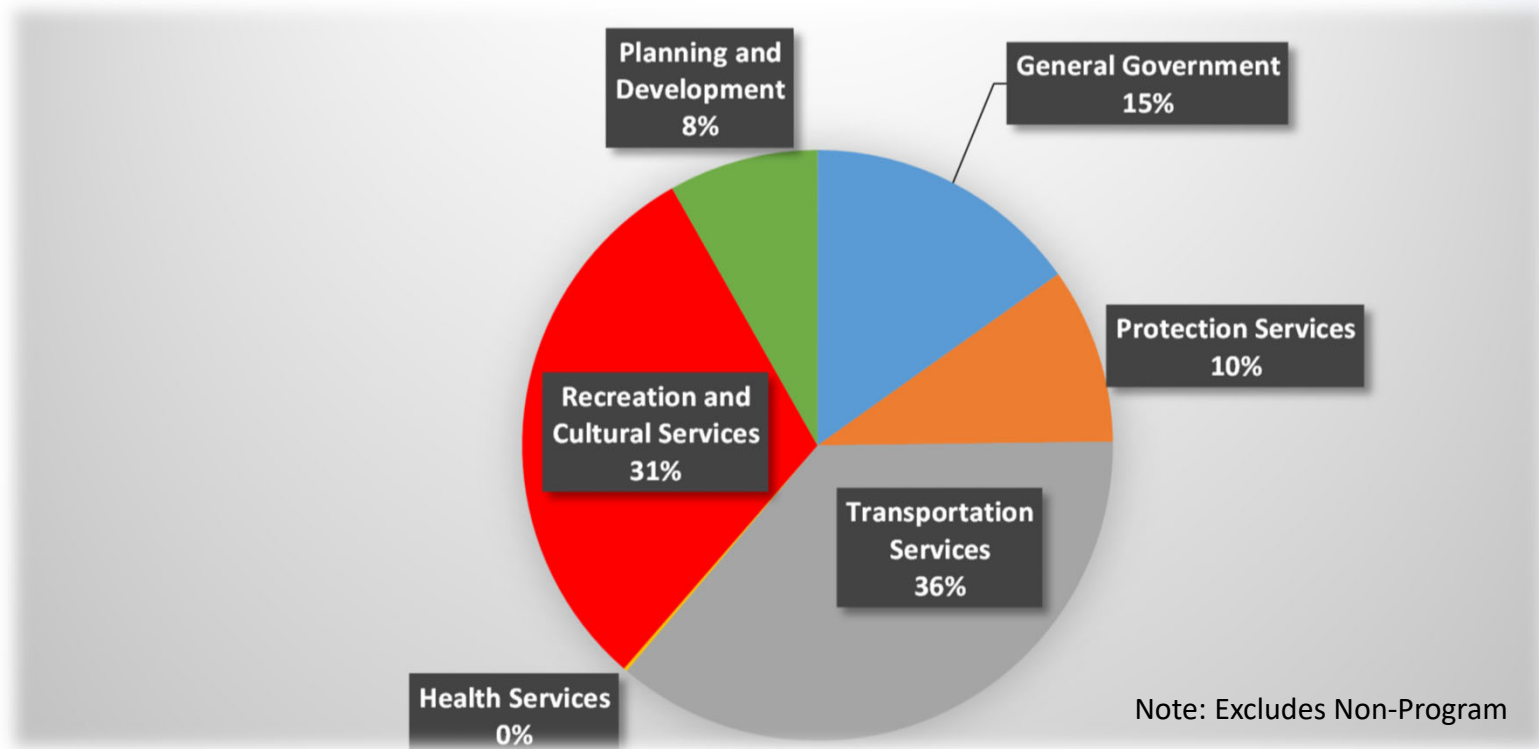
| Major | Budget Net Levy (Operating and Capital) | | | | | | Total \$ Change 2015-2020 | % average annual increase | % of Total Increase 2015-2020 |
|---------------------------|---|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------------|---------------------------------|-------------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Operating Net Levy | \$ 8,153,140 | \$ 8,361,610 | \$ 8,549,780 | \$ 8,857,360 | \$ 9,270,290 | \$ 9,394,950 | \$ 1,241,810 | 2.9% | 31.8% |
| Debt Principal & Interest | \$ 640,200 | \$ 640,130 | \$ 640,130 | \$ 1,072,940 | \$ 1,072,720 | \$ 1,073,060 | \$ 432,860 | 10.9% | 11.1% |
| Capital Net Levy | \$ 2,929,300 | \$ 3,597,076 | \$ 4,188,830 | \$ 4,299,650 | \$ 4,643,520 | \$ 5,159,400 | \$ 2,230,100 | 12.0% | 57.1% |
| Total | \$ 11,722,640 | \$ 12,598,816 | \$ 13,378,740 | \$ 14,229,950 | \$ 14,986,530 | \$ 15,627,410 | \$ 3,904,770 | 5.9% | 100.0% |

- From 2015-2020 the net levy increased \$3.9 million; \$2.2 million is attributed to an enhanced capital program to support infrastructure replacement, growth and new initiatives. The Capital Levy accounts for 57% of the increase in the total Levy from 2015-2020. Debt repayments account for 11% of the total increase to support capital programs.
- The operating net levy increased by \$1.2 million from 2015-2020, for an average annual increase of 2.9%. Taking into consideration the impact of growth, the net operating component of the total levy is generally in line with inflation.

Corporate Wide Levy Summary by Department (Includes Operating and Capital)

| Operating & Capital Net Levy | Budget - Levy | | | | | | Total \$ Change 2015-2020 | Annual % 2015-2020 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------------|-----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | |
| General Government | | | | | | | | |
| Council | \$ 258,400 | \$ 249,300 | \$ 267,650 | \$ 286,090 | \$ 337,190 | \$ 347,350 | \$ 88,950 | 6.1% |
| Corporate Services | \$ 1,111,800 | \$ 1,358,300 | \$ 1,288,010 | \$ 1,268,640 | \$ 1,406,510 | \$ 1,404,810 | \$ 293,010 | 4.8% |
| Finance | \$ 592,450 | \$ 619,200 | \$ 651,510 | \$ 685,120 | \$ 700,300 | \$ 686,180 | \$ 93,730 | 3.0% |
| Municipal Office | \$ 307,150 | \$ 197,260 | \$ 212,370 | \$ 216,160 | \$ 225,230 | \$ 233,670 | \$ (73,480) | -5.3% |
| | \$ 2,269,800 | \$ 2,424,060 | \$ 2,419,540 | \$ 2,456,010 | \$ 2,669,230 | \$ 2,672,010 | \$ 402,210 | 3.3% |
| Protection Services | | | | | | | | |
| Emergency Planning | \$ 22,000 | \$ 22,000 | \$ 21,750 | \$ 18,750 | \$ 18,250 | \$ 18,250 | \$ (3,750) | -3.7% |
| By-Law Enforcement | \$ 195,130 | \$ 198,940 | \$ 251,540 | \$ 291,440 | \$ 296,000 | \$ 290,780 | \$ 95,650 | 8.3% |
| Cross Guards | \$ 28,700 | \$ 28,600 | \$ 29,270 | \$ 31,750 | \$ 31,690 | \$ 32,070 | \$ 3,370 | 2.2% |
| Fire Department | \$ 1,030,050 | \$ 1,131,100 | \$ 1,163,950 | \$ 1,428,580 | \$ 1,430,210 | \$ 1,357,100 | \$ 327,050 | 5.7% |
| | \$ 1,275,880 | \$ 1,380,640 | \$ 1,466,510 | \$ 1,770,520 | \$ 1,776,150 | \$ 1,698,200 | \$ 422,320 | 5.9% |
| Transportation Services | | | | | | | | |
| Streetlighting | \$ 337,300 | \$ 311,400 | \$ 308,800 | \$ 305,250 | \$ 286,460 | \$ 304,500 | \$ (32,800) | -2.0% |
| Transit | \$ - | \$ 54,250 | \$ 65,160 | \$ 102,490 | \$ 210,560 | \$ 194,800 | \$ 194,800 | 0.0% |
| Public Works | \$ 4,334,270 | \$ 4,807,820 | \$ 5,187,270 | \$ 5,666,900 | \$ 5,635,270 | \$ 5,914,560 | \$ 1,580,290 | 6.4% |
| | \$ 4,671,570 | \$ 5,173,470 | \$ 5,561,230 | \$ 6,074,640 | \$ 6,132,290 | \$ 6,413,860 | \$ 1,742,290 | 6.5% |
| Health Services | | | | | | | | |
| Cemeteries | \$ 54,500 | \$ 44,620 | \$ 33,420 | \$ 40,400 | \$ 30,480 | \$ 33,720 | \$ (20,780) | -9.2% |
| | \$ 54,500 | \$ 44,620 | \$ 33,420 | \$ 40,400 | \$ 30,480 | \$ 33,720 | \$ (20,780) | -9.2% |
| Recreation and Cultural Services | | | | | | | | |
| Recreation | \$ 2,798,550 | \$ 2,945,965 | \$ 2,953,810 | \$ 3,005,860 | \$ 3,124,630 | \$ 3,194,030 | \$ 395,480 | 2.7% |
| Library | \$ 816,900 | \$ 854,850 | \$ 919,270 | \$ 936,820 | \$ 1,053,580 | \$ 966,670 | \$ 149,770 | 3.4% |
| Parks & Trails | \$ 551,900 | \$ 565,860 | \$ 542,660 | \$ 587,540 | \$ 745,430 | \$ 1,008,060 | \$ 456,160 | 12.8% |
| Other Facilities | \$ 160,020 | \$ 167,000 | \$ 182,460 | \$ 289,330 | \$ 311,220 | \$ 194,530 | \$ 34,510 | 4.0% |
| | \$ 4,327,370 | \$ 4,533,675 | \$ 4,598,200 | \$ 4,819,550 | \$ 5,234,860 | \$ 5,363,290 | \$ 1,035,920 | 4.4% |
| Planning and Development | | | | | | | | |
| Planning & Development Services | \$ 1,206,980 | \$ 1,121,515 | \$ 1,199,420 | \$ 1,150,040 | \$ 1,150,660 | \$ 1,208,410 | \$ 1,430 | 0.0% |
| Community Support | \$ 233,970 | \$ 152,920 | \$ 175,780 | \$ 193,060 | \$ 228,930 | \$ 235,920 | \$ 1,950 | 0.2% |
| | \$ 1,440,950 | \$ 1,274,435 | \$ 1,375,200 | \$ 1,343,100 | \$ 1,379,590 | \$ 1,444,330 | \$ 3,380 | 0.0% |
| Non-Program | | | | | | | | |
| Non-Program Properties | \$ 66,470 | \$ 42,090 | \$ (4,660) | \$ 133,340 | \$ 137,140 | \$ 149,550 | \$ 83,080 | 17.6% |
| Non-Program Activities | \$ (1,281,600) | \$ (1,228,774) | \$ (1,146,100) | \$ (1,473,260) | \$ (1,332,250) | \$ (1,097,550) | \$ 184,050 | -3.1% |
| Taxation (other) | \$ (765,000) | \$ (734,000) | \$ (615,800) | \$ (629,100) | \$ (754,500) | \$ (745,500) | \$ 19,500 | -0.5% |
| | \$ (1,980,130) | \$ (1,920,684) | \$ (1,766,560) | \$ (1,969,020) | \$ (1,949,610) | \$ (1,693,500) | \$ 286,630 | -3.1% |
| General Levy | \$ 11,722,640 | \$ 12,598,816 | \$ 13,378,740 | \$ 14,229,950 | \$ 14,986,530 | \$ 15,627,410 | \$ 3,904,770 | 5.9% |
| Streetlighting Tax Levy | \$ 337,300 | \$ 311,400 | \$ 308,800 | \$ 305,250 | \$ 286,460 | \$ 304,500 | \$ (32,800) | -2.0% |
| BIA Tax Levy | \$ 172,100 | \$ 172,100 | \$ 172,100 | \$ 172,100 | \$ 177,790 | \$ 181,400 | \$ 9,300 | 1.1% |

Net Levy by Department - 2020



- **Transportation Services** comprises approximately 36% of the Town's Total Net Levy.
- **Recreation and Cultural Services** comprises approximately 31% of the Town's total Net Levy.

Corporate Wide Levy Summary by Department (Operating Only)

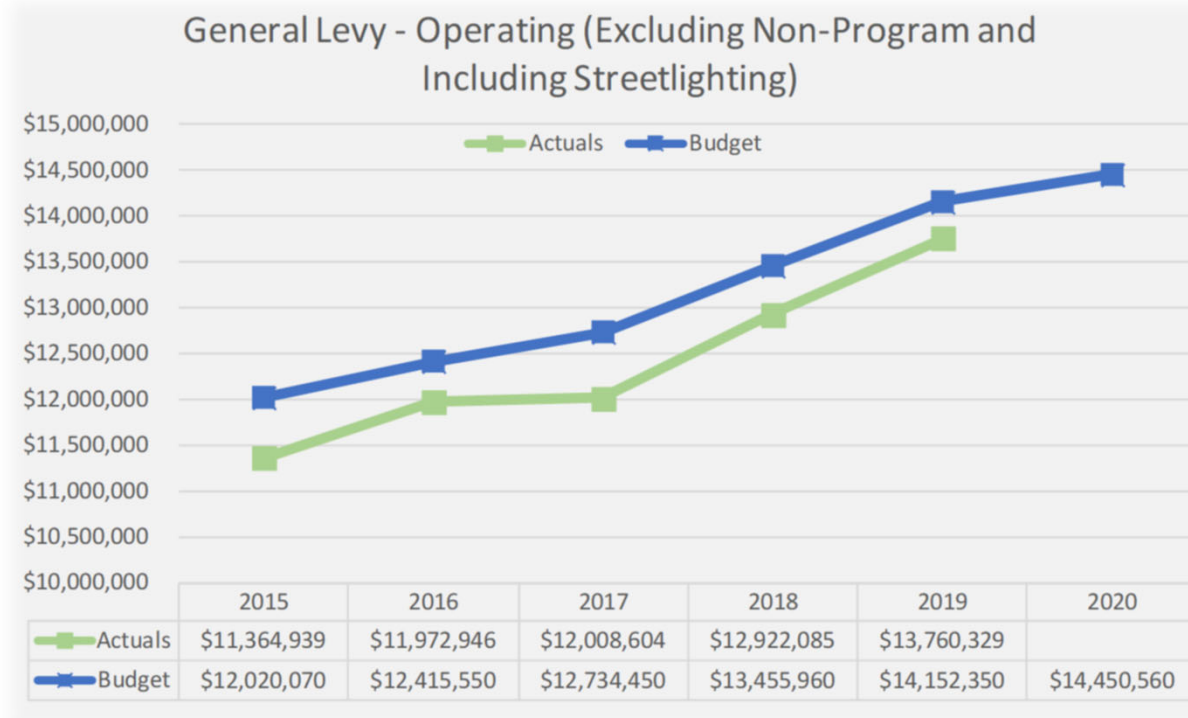
| Operating Net Levy | Budget | | | | | | Total \$ Change 2015-2020 | Annual Avg % 2015-2020 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------------|------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | |
| General Government | | | | | | | | |
| Council | \$ 258,400 | \$ 249,300 | \$ 267,650 | \$ 286,090 | \$ 337,190 | \$ 347,350 | \$ 88,950 | 6.1% |
| Corporate Services | \$ 1,111,800 | \$ 1,243,300 | \$ 1,209,010 | \$ 1,253,640 | \$ 1,406,510 | \$ 1,404,810 | \$ 293,010 | 4.8% |
| Finance | \$ 592,450 | \$ 619,200 | \$ 651,510 | \$ 685,120 | \$ 700,300 | \$ 676,180 | \$ 83,730 | 2.7% |
| Municipal Office | \$ 210,150 | \$ 192,660 | \$ 192,370 | \$ 216,160 | \$ 225,230 | \$ 233,670 | \$ 23,520 | 2.1% |
| | \$ 2,172,800 | \$ 2,304,460 | \$ 2,320,540 | \$ 2,441,010 | \$ 2,669,230 | \$ 2,662,010 | \$ 489,210 | 4.1% |
| Protection Services | | | | | | | | |
| Emergency Planning | \$ 22,000 | \$ 22,000 | \$ 21,750 | \$ 18,750 | \$ 18,250 | \$ 18,250 | \$ (3,750) | -3.7% |
| By-Law Enforcement | \$ 173,130 | \$ 176,940 | \$ 244,540 | \$ 283,940 | \$ 289,000 | \$ 283,780 | \$ 110,650 | 10.4% |
| Cross Guards | \$ 28,700 | \$ 28,600 | \$ 29,270 | \$ 31,750 | \$ 31,690 | \$ 32,070 | \$ 3,370 | 2.2% |
| Fire Department | \$ 740,950 | \$ 803,700 | \$ 827,950 | \$ 1,113,580 | \$ 1,150,210 | \$ 1,157,100 | \$ 416,150 | 9.3% |
| | \$ 964,780 | \$ 1,031,240 | \$ 1,123,510 | \$ 1,448,020 | \$ 1,489,150 | \$ 1,491,200 | \$ 526,420 | 9.1% |
| Transportation Services | | | | | | | | |
| Streetlighting | \$ 287,300 | \$ 211,400 | \$ 208,800 | \$ 205,250 | \$ 186,460 | \$ 204,500 | \$ (82,800) | -6.6% |
| Transit | \$ - | \$ 54,250 | \$ 65,160 | \$ 102,490 | \$ 210,560 | \$ 194,800 | \$ 194,800 | 0.0% |
| Public Works | \$ 3,165,270 | \$ 3,401,920 | \$ 3,473,620 | \$ 3,564,840 | \$ 3,628,020 | \$ 3,731,710 | \$ 566,440 | 3.3% |
| | \$ 3,452,570 | \$ 3,667,570 | \$ 3,747,580 | \$ 3,872,580 | \$ 4,025,040 | \$ 4,131,010 | \$ 678,440 | 3.7% |
| Health Services | | | | | | | | |
| Cemeteries | \$ 39,500 | \$ 28,620 | \$ 17,420 | \$ 21,400 | \$ 11,480 | \$ 13,720 | \$ (25,780) | -19.1% |
| | \$ 39,500 | \$ 28,620 | \$ 17,420 | \$ 21,400 | \$ 11,480 | \$ 13,720 | \$ (25,780) | -19.1% |
| Recreation and Cultural Services | | | | | | | | |
| Recreation | \$ 2,758,050 | \$ 2,805,965 | \$ 2,787,810 | \$ 2,842,660 | \$ 2,901,630 | \$ 2,948,030 | \$ 189,980 | 1.3% |
| Library | \$ 685,500 | \$ 720,900 | \$ 746,270 | \$ 758,820 | \$ 849,580 | \$ 857,670 | \$ 172,170 | 4.6% |
| Parks & Trails | \$ 391,900 | \$ 462,360 | \$ 497,660 | \$ 517,040 | \$ 620,430 | \$ 708,060 | \$ 316,160 | 12.6% |
| Other Facilities | \$ 114,020 | \$ 120,000 | \$ 118,460 | \$ 211,330 | \$ 206,220 | \$ 194,530 | \$ 80,510 | 11.3% |
| | \$ 3,949,470 | \$ 4,109,225 | \$ 4,150,200 | \$ 4,329,850 | \$ 4,577,860 | \$ 4,708,290 | \$ 758,820 | 3.6% |
| Planning and Development | | | | | | | | |
| Planning & Development Services | \$ 1,206,980 | \$ 1,121,515 | \$ 1,199,420 | \$ 1,150,040 | \$ 1,150,660 | \$ 1,208,410 | \$ 1,430 | 0.0% |
| Community Support | \$ 233,970 | \$ 152,920 | \$ 175,780 | \$ 193,060 | \$ 228,930 | \$ 235,920 | \$ 1,950 | 0.2% |
| | \$ 1,440,950 | \$ 1,274,435 | \$ 1,375,200 | \$ 1,343,100 | \$ 1,379,590 | \$ 1,444,330 | \$ 3,380 | 0.0% |
| Non-Program | | | | | | | | |
| Non-Program Properties | \$ 66,470 | \$ 42,090 | \$ (4,660) | \$ 133,340 | \$ 137,140 | \$ 139,550 | \$ 73,080 | 16.0% |
| Non-Program Activities | \$ (2,190,900) | \$ (2,410,500) | \$ (2,615,280) | \$ (2,724,650) | \$ (2,905,520) | \$ (1,467,200) | \$ 723,700 | -7.7% |
| Taxation (other) | \$ (765,000) | \$ (734,000) | \$ (615,800) | \$ (629,100) | \$ (754,500) | \$ (745,500) | \$ 19,500 | -0.5% |
| | \$ (2,889,430) | \$ (3,102,410) | \$ (3,235,740) | \$ (3,220,410) | \$ (3,522,880) | \$ (2,073,150) | \$ 816,280 | -6.4% |
| General Levy | \$ 8,793,340 | \$ 9,001,740 | \$ 9,189,910 | \$ 9,930,300 | \$ 10,343,010 | \$ 12,072,910 | \$ 3,279,570 | 6.5% |
| Streetlighting Tax Levy | \$ 337,300 | \$ 311,400 | \$ 308,800 | \$ 305,250 | \$ 286,460 | \$ 304,500 | \$ (32,800) | -2.0% |
| BIA Tax Levy | \$ 172,100 | \$ 172,100 | \$ 172,100 | \$ 172,100 | \$ 177,790 | \$ 181,400 | \$ 9,300 | 1.1% |

Operating Net Levy – Variance Budget to Actuals Reflects Good Budgetary Controls

| Operating Net Levy | Budget to Actuals Variances | | | | |
|---|-----------------------------|-------------------|-------------------|-------------------|---------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| General Government | | | | | |
| Council | \$ 12,489 | \$ 4,568 | \$ 14,055 | \$ (3,959) | \$ 11,434 |
| Corporate Services | \$ 3,537 | \$ 91,217 | \$ 90,346 | \$ (39,727) | \$ 14,786 |
| Finance | \$ 50,047 | \$ 88,927 | \$ 134,499 | \$ 81,366 | \$ 47,787 |
| Municipal Office | \$ 4,605 | \$ (25,455) | \$ (36,251) | \$ 11,061 | \$ (10,863) |
| | \$ 70,678 | \$ 159,257 | \$ 202,649 | \$ 48,741 | \$ 63,144 |
| Protection Services | | | | | |
| Emergency Planning | \$ 1,405 | \$ (2,121) | \$ 5,584 | \$ 1,283 | \$ 451 |
| By-Law Enforcement | \$ 14,263 | \$ (12,870) | \$ 33,835 | \$ 28,459 | \$ 36,648 |
| Cross Guards | \$ 2,018 | \$ 341 | \$ 1,522 | \$ 3,802 | \$ 3,922 |
| Fire Department | \$ 28,004 | \$ 73,433 | \$ 20,630 | \$ (15,387) | \$ 21,745 |
| | \$ 45,690 | \$ 58,783 | \$ 61,572 | \$ 18,158 | \$ 62,767 |
| Transportation Services | | | | | |
| Streetlighting | \$ 2,089 | \$ 24,771 | \$ 12,605 | \$ 35,369 | \$ 2,403 |
| Transit | \$ - | \$ 101,745 | \$ 76,022 | \$ (50,806) | \$ 68,348 |
| Public Works | \$ 93,513 | \$ (130,274) | \$ 45,174 | \$ 135,325 | \$ (178,873) |
| | \$ 95,602 | \$ (3,759) | \$ 133,801 | \$ 119,887 | \$ (108,123) |
| Health Services | | | | | |
| Cemeteries | \$ 6,038 | \$ 14,077 | \$ 1,860 | \$ 21,565 | \$ 7,967 |
| | \$ 6,038 | \$ 14,077 | \$ 1,860 | \$ 21,565 | \$ 7,967 |
| Recreation and Cultural Services | | | | | |
| Recreation | \$ 153,816 | \$ 109,579 | \$ 115,427 | \$ 110,098 | \$ 107,324 |
| Library | \$ 52,473 | \$ 25,176 | \$ 31,731 | \$ 55,735 | \$ 34,799 |
| Parks & Trails | \$ 9,272 | \$ 2,202 | \$ 36,298 | \$ 26,673 | \$ 62,943 |
| Other Facilities | \$ 4,432 | \$ (17,315) | \$ 570 | \$ 30,588 | \$ 60,990 |
| | \$ 219,993 | \$ 119,643 | \$ 184,026 | \$ 223,095 | \$ 266,055 |
| Planning and Development | | | | | |
| Planning & Development Services | \$ 208,565 | \$ 105,557 | \$ 125,231 | \$ 116,043 | \$ 92,458 |
| Community Support | \$ 8,565 | \$ (10,954) | \$ 16,708 | \$ (13,615) | \$ 7,753 |
| | \$ 217,130 | \$ 94,604 | \$ 141,939 | \$ 102,428 | \$ 100,211 |
| Non-Program | | | | | |
| Non-Program Properties | \$ (16,654) | \$ (1,621) | \$ 8,801 | \$ (38,803) | \$ (70,729) |
| Non-Program Activities | \$ 100,894 | \$ 176,856 | \$ 55,453 | \$ 197,700 | \$ 197,939 |
| Taxation (other) | \$ (33,112) | \$ (92,202) | \$ (22,328) | \$ 108,137 | \$ 52,984 |
| | \$ 51,128 | \$ 83,033 | \$ 41,926 | \$ 267,033 | \$ 180,194 |
| General Levy | \$ 706,259 | \$ 525,638 | \$ 767,772 | \$ 800,908 | \$ 572,215 |
| Streetlighting Tax Levy | \$ - | \$ - | \$ - | \$ - | \$ - |
| Excluding Non-Program Expenditures | \$ 655,131 | \$ 442,604 | \$ 725,846 | \$ 533,875 | \$ 392,021 |

- The table reflects the difference between the budget and the actual net operating cost from 2015-2019.
- The Town annually reports, at year end, the final financial position which excludes non-program items.
- As shown on the last line of the table, in each year, the Town has underspent the budget by \$392,021-\$725,846, reflecting excellent financial controls through a practice of quarterly variance reporting and Managers/Directors actively monitoring expenditures.
- The total variance is equivalent to 2.8%-5.8% annually below budget.
- In every year (with the exception of 2019 for Transportation as a result of flood), Service Categories have year end balances below the budget.
- Additional details have been provided in each Service Category later in the report.

Operating Net Levy (Expenditures less Revenues)



- The operating net levy has been under budget from 2015-2019 by, on average, annually by \$550,000.
- This is equivalent to approximately 4.3% under budget. Further analysis of departmental budgets to identify budget variances has been included in the report. Surpluses are transferred to reserves, based on Council approved decisions at year end, and are used strategically towards future capital and operating requirements. However, this consolidated analysis represents the potential opportunity to reduce the net levy.

Corporate Wide Budgeted Expenses (Excludes Capital)

| Corporate Wide Operating Expense | Budget | | | | | | % of Total 2020 | Total \$ Change 2015-2020 | Annual % Increase 2015-2020 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------|---------------------------------|-----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Contracted Services | \$ 1,826,160 | \$ 2,189,045 | \$ 2,318,985 | \$ 2,295,410 | \$ 2,285,120 | \$ 2,591,890 | 13.0% | \$ 765,730 | 7.3% |
| Debt Charges | \$ 640,200 | \$ 640,130 | \$ 640,130 | \$ 1,072,940 | \$ 1,072,720 | \$ 1,073,060 | 5.4% | \$ 432,860 | 10.9% |
| Hired Equipment | \$ 231,000 | \$ 252,400 | \$ 311,930 | \$ 393,100 | \$ 370,800 | \$ 370,400 | 1.9% | \$ 139,400 | 9.9% |
| I.T Support | \$ 427,600 | \$ 463,490 | \$ 479,680 | \$ 493,510 | \$ 515,310 | \$ 532,980 | 2.7% | \$ 105,380 | 4.5% |
| Insurance | \$ 299,980 | \$ 326,180 | \$ 335,310 | \$ 392,480 | \$ 438,790 | \$ 378,000 | 1.9% | \$ 78,020 | 4.7% |
| Materials & Supplies | \$ 1,095,280 | \$ 1,108,575 | \$ 1,198,865 | \$ 1,186,775 | \$ 1,153,360 | \$ 1,100,700 | 5.5% | \$ 5,420 | 0.1% |
| Salaries, Wages & Benefits | \$ 7,572,355 | \$ 7,696,255 | \$ 8,033,355 | \$ 8,290,180 | \$ 8,980,230 | \$ 9,283,250 | 46.5% | \$ 1,710,895 | 4.2% |
| Town Equipment | \$ 579,900 | \$ 614,800 | \$ 638,500 | \$ 633,450 | \$ 627,790 | \$ 685,800 | 3.4% | \$ 105,900 | 3.4% |
| Transfer To/From Reserve | \$ 260,500 | \$ 171,900 | \$ 126,200 | \$ 255,800 | \$ 446,010 | \$ 514,400 | 2.6% | \$ 253,900 | 14.6% |
| Utilities | \$ 938,800 | \$ 892,900 | \$ 901,600 | \$ 916,900 | \$ 880,020 | \$ 849,320 | 4.2% | \$ (89,480) | -2.0% |
| Misc Expenses | \$ 1,940,440 | \$ 2,325,930 | \$ 2,395,845 | \$ 2,546,085 | \$ 2,467,450 | \$ 2,604,950 | 13.0% | \$ 664,510 | 6.1% |
| Total Expenses | \$ 15,812,215 | \$ 16,681,605 | \$ 17,380,400 | \$ 18,476,630 | \$ 19,237,600 | \$ 19,984,750 | 100.0% | \$ 4,172,535 | 4.8% |

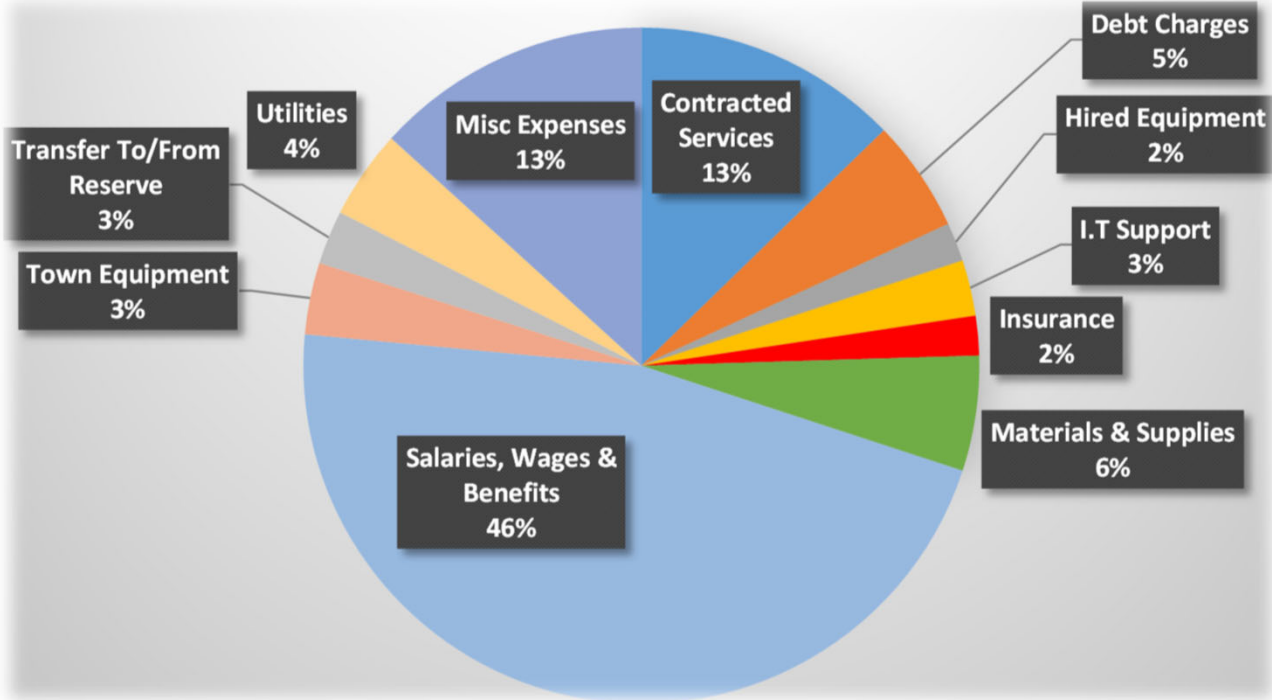
- Salaries, Wages and Benefits represents the largest item of expenditure (46% in 2020) and has experienced an average annual increase of 4.2% from 2015-2020. This includes salary contract increases, changes in staffing and changes in benefit costs.
- Contributions to reserves have increased annually by 14.6% to support the asset management plan and the timely replacement of assets.
- Debt Charges increased in 2018 related to the new fire station and acquisition of land.
- Materials & Supplies have experienced limited increases in costs from 2015-2020.
- Utilities have experienced an average annual decrease of 2%.

2020 Budgeted Operating Expenditures by Expenditure and Department

| Operating Expense | General Government | Protection Services | Transportation Services | Health Services | Recreation and Cultural Services | Planning and Development | Non-Program | Business Improvement Area | Total |
|----------------------------|---------------------|---------------------|-------------------------|------------------|----------------------------------|--------------------------|-------------------|---------------------------|----------------------|
| Contracted Services | \$ 298,680 | \$ 24,700 | \$ 1,634,050 | \$ 50,160 | \$ 445,800 | \$ 130,500 | \$ - | \$ 8,000 | \$ 2,591,890 |
| Debt Charges | \$ - | \$ 233,120 | \$ - | \$ - | \$ 640,120 | \$ - | \$ 199,820 | \$ - | \$ 1,073,060 |
| Hired Equipment | \$ - | \$ - | \$ 334,200 | \$ - | \$ 36,200 | \$ - | \$ - | \$ - | \$ 370,400 |
| I.T Support | \$ 107,560 | \$ 35,080 | \$ 55,110 | \$ 3,250 | \$ 223,800 | \$ 107,230 | \$ - | \$ 950 | \$ 532,980 |
| Insurance | \$ 235,820 | \$ 22,030 | \$ 35,710 | \$ 100 | \$ 54,570 | \$ 26,300 | \$ 3,470 | \$ - | \$ 378,000 |
| Materials & Supplies | \$ 114,370 | \$ 45,600 | \$ 552,250 | \$ 13,260 | \$ 335,440 | \$ 36,880 | \$ - | \$ 2,900 | \$ 1,100,700 |
| Salaries, Wages & Benefits | \$ 1,783,750 | \$ 920,080 | \$ 1,546,050 | \$ - | \$ 3,400,670 | \$ 1,573,430 | \$ - | \$ 59,270 | \$ 9,283,250 |
| Town Equipment | \$ - | \$ - | \$ 648,000 | \$ - | \$ 37,800 | \$ - | \$ - | \$ - | \$ 685,800 |
| Transfer To/From Reserve | \$ 484,800 | \$ 16,000 | \$ - | \$ - | \$ - | \$ 13,600 | \$ - | \$ - | \$ 514,400 |
| Utilities | \$ 97,900 | \$ 12,540 | \$ 168,300 | \$ 1,200 | \$ 569,380 | \$ - | \$ - | \$ - | \$ 849,320 |
| Misc Expenses | \$ 385,150 | \$ 324,400 | \$ 241,180 | \$ 12,570 | \$ 526,800 | \$ 750,130 | \$ 181,000 | \$ 183,720 | \$ 2,604,950 |
| Total Expenses | \$ 3,508,030 | \$ 1,633,550 | \$ 5,214,850 | \$ 80,540 | \$ 6,270,580 | \$ 2,638,070 | \$ 384,290 | \$ 254,840 | \$ 19,984,750 |

- The above table represents a summary of the types of expenditures in the Operating Budget by Service Category for 2020 to provide an overall perspective of where budgeted funds are allocated.
- Additional detail is provided in the Service Category sections of the report.
- The remainder of the executive summary focuses on the Corporate-Wide perspective for major items of expenditures.

Corporate Wide – Total Operating Expenses 2020

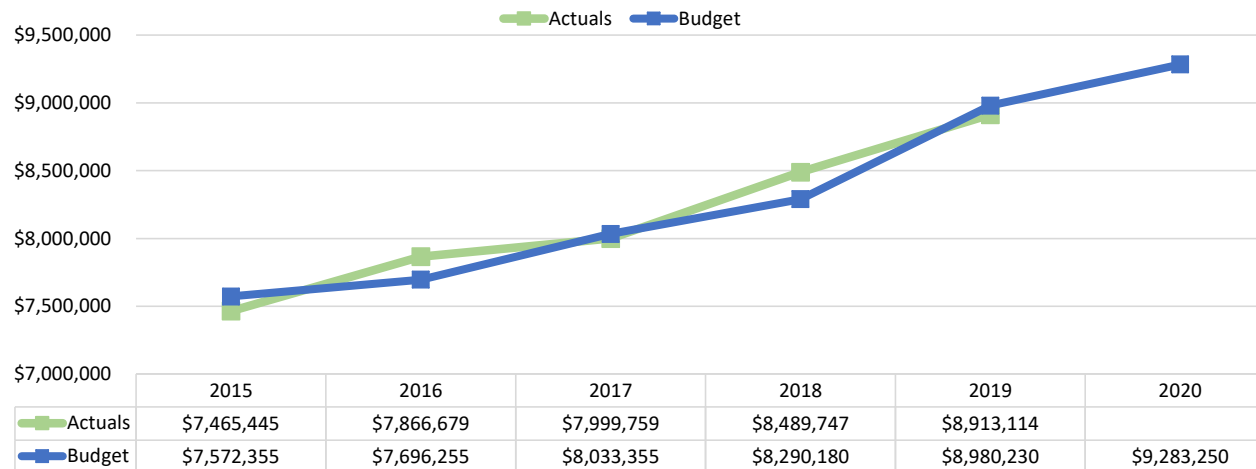


- The next section of the summary provides an overview of the largest items of expenditure in terms of budgetary trends and actual expenditures.

Corporate Wide Summary – Salaries, Wages, Benefits Trend Analysis

| Salaries, Wages, Benefits | Budget | | | | | | % of Total 2020 | Total \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------------------|-------------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Business Improvement Area | \$ 47,000 | \$ 51,000 | \$ 50,600 | \$ 56,180 | \$ 59,360 | \$ 59,270 | 0.6% | \$ 12,270 | 4.7% |
| General Government | \$ 1,448,300 | \$ 1,468,400 | \$ 1,613,730 | \$ 1,609,500 | \$ 1,751,460 | \$ 1,783,750 | 19.2% | \$ 335,450 | 4.3% |
| Planning and Development | \$ 1,273,100 | \$ 1,324,900 | \$ 1,350,780 | \$ 1,371,530 | \$ 1,393,800 | \$ 1,573,430 | 16.9% | \$ 300,330 | 4.3% |
| Protection Services | \$ 804,700 | \$ 811,700 | \$ 854,980 | \$ 874,670 | \$ 902,030 | \$ 920,080 | 9.9% | \$ 115,380 | 2.7% |
| Recreation and Cultural Services | \$ 2,671,385 | \$ 2,727,335 | \$ 2,828,265 | \$ 3,028,670 | \$ 3,316,760 | \$ 3,400,670 | 36.6% | \$ 729,285 | 4.9% |
| Transportation Services | \$ 1,327,870 | \$ 1,312,920 | \$ 1,335,000 | \$ 1,349,630 | \$ 1,556,820 | \$ 1,546,050 | 16.7% | \$ 218,180 | 3.1% |
| Total Salaries, Wages Benefits | \$ 7,572,355 | \$ 7,696,255 | \$ 8,033,355 | \$ 8,290,180 | \$ 8,980,230 | \$ 9,283,250 | 100.0% | \$ 1,710,895 | 4.2% |

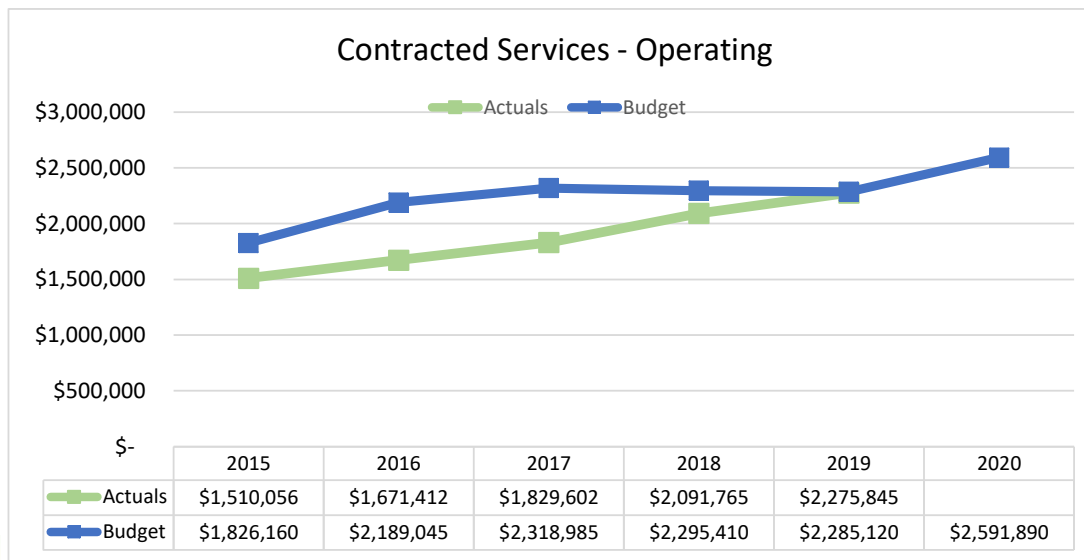
Salaries, Wages and Benefits - Operating



- Differences between budgets and actuals is primarily driven by timing in new hires, vacancies and part-time programming requirements.

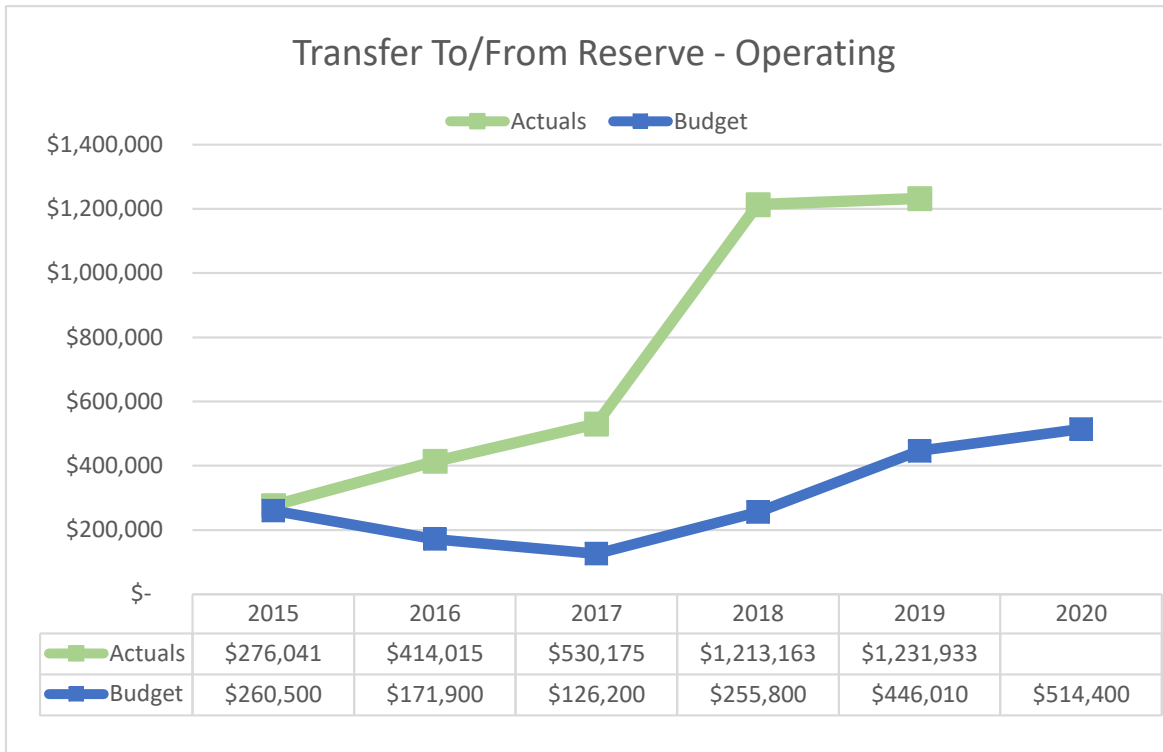
Corporate Wide Summary – Contracted Services Trend Analysis

| Contracted Services | Budget | | | | | | % of Total 2020 | Total \$ Change 2015-2020 | % Annual Change 2015-2020 |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------------------|---------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| BIA | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | 0.3% | \$ - | 0.0% |
| General Government | \$ 74,500 | \$ 138,500 | \$ 114,080 | \$ 135,990 | \$ 135,220 | \$ 298,680 | 11.5% | \$ 224,180 | 32.0% |
| Health | \$ 52,200 | \$ 52,300 | \$ 55,320 | \$ 52,430 | \$ 50,510 | \$ 50,160 | 1.9% | \$ (2,040) | -0.8% |
| Planning and Development | \$ 205,200 | \$ 179,000 | \$ 185,460 | \$ 162,160 | \$ 146,780 | \$ 130,500 | 5.0% | \$ (74,700) | -8.7% |
| Protection Services | \$ 24,200 | \$ 24,200 | \$ 24,000 | \$ 24,000 | \$ 24,700 | \$ 24,700 | 1.0% | \$ 500 | 0.4% |
| Recreation and Cultural Services | \$ 338,910 | \$ 377,695 | \$ 368,975 | \$ 420,030 | \$ 423,510 | \$ 445,800 | 17.2% | \$ 106,890 | 5.6% |
| Transportation Services | \$ 1,123,150 | \$ 1,409,350 | \$ 1,563,150 | \$ 1,492,800 | \$ 1,496,400 | \$ 1,634,050 | 63.0% | \$ 510,900 | 7.8% |
| Total Contracted | \$ 1,826,160 | \$ 2,189,045 | \$ 2,318,985 | \$ 2,295,410 | \$ 2,285,120 | \$ 2,591,890 | 100.0% | \$ 765,730 | 7.3% |



- From 2015-2019, the actual cost of services were below the budget.
- Additional line-by-line analysis was undertaken at the Service Category level to help explain the variances.

Corporate-Wide Summary Transfer To Reserves – Budget to Actual Trend Analysis



- Budgeted transfers are made in the Operating Budget which have been gradually increased since 2015.
- The year end surplus is transferred to the Town's reserves.

- As shown above, as a result of under-expenditures and, in some cases greater than anticipated revenues, the contributions to reserves have exceeded expectations.

Capital Budget Trend

| Capital Expense | Budget | | | | | | Annual % 2015-2020 |
|--------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| Public Works | \$ 2,460,000 | \$ 4,026,000 | \$ 3,588,900 | \$ 5,635,800 | \$ 8,712,900 | \$ 10,050,500 | 32.5% |
| Municipal Office | \$ 675,000 | \$ 585,600 | \$ 155,000 | \$ 130,000 | \$ 73,000 | \$ 50,000 | -40.6% |
| Finance | \$ - | \$ - | \$ - | \$ 70,000 | \$ 70,000 | \$ 80,000 | 0.0% |
| Planning & Development Services | \$ - | \$ 25,000 | \$ - | \$ - | \$ 95,000 | \$ 30,000 | 0.0% |
| Non-Program Properties | \$ - | \$ - | \$ 3,227,000 | \$ - | \$ 60,000 | \$ 70,000 | 0.0% |
| Corporate Services | \$ - | \$ 115,000 | \$ 216,000 | \$ 15,000 | \$ 288,000 | \$ 288,000 | 0.0% |
| By-Law Enforcement & Traffic Control | \$ 22,000 | \$ 22,000 | \$ 35,000 | \$ 7,500 | \$ 7,000 | \$ 7,000 | -20.5% |
| Cemeteries | \$ 35,000 | \$ 56,000 | \$ 66,000 | \$ 98,900 | \$ 98,900 | \$ 238,900 | 46.8% |
| Parks & Trails | \$ 1,710,000 | \$ 836,000 | \$ 179,000 | \$ 129,500 | \$ 318,000 | \$ 885,500 | -12.3% |
| Streetlighting | \$ 70,000 | \$ 100,000 | \$ 119,500 | \$ 119,500 | \$ 100,000 | \$ 100,000 | 7.4% |
| Library | \$ 131,400 | \$ 133,950 | \$ 173,000 | \$ 248,000 | \$ 409,000 | \$ 109,000 | -3.7% |
| Other Facilities | \$ 221,000 | \$ 277,000 | \$ 397,800 | \$ 516,000 | \$ 162,000 | \$ 354,500 | 9.9% |
| Fire Department | \$ 1,264,100 | \$ 4,118,400 | \$ 3,836,000 | \$ 1,109,700 | \$ 920,000 | \$ 345,000 | -22.9% |
| Recreation | \$ 427,500 | \$ 486,000 | \$ 591,000 | \$ 5,933,330 | \$ 2,149,300 | \$ 8,174,000 | 80.4% |
| Non-Program Activities | \$ 909,300 | \$ 1,181,726 | \$ 1,469,180 | \$ 1,251,390 | \$ 1,573,270 | \$ 1,974,550 | 16.8% |
| Total Expenses | \$ 7,925,300 | \$ 11,962,676 | \$ 14,053,380 | \$ 15,264,620 | \$ 15,036,370 | \$ 22,756,950 | 23.5% |

- The Capital Budget expenses have increased significantly from 2015-2020, due in part to replacement of existing infrastructure and new growth and expansions. On average, the Capital Budget has increased annually 23.5%.
- A major expenditure from 2016-2017 is related to the construction of a new Fire Station.
- The transfer to Reserves has been increasing to address the Town's infrastructure gap which will be discussed later in the report in accordance with the Town's AMP which was completed in 2017.

Capital Budget Financing Trend

| Capital Revenue | Budget | | | | | |
|--------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| DC Revenue | \$ (30,000) | \$ (40,000) | \$ - | \$ - | \$ (107,800) | \$ (1,975,400) |
| Debenture Proceeds | \$ - | \$ (3,500,000) | \$ (6,500,000) | \$ (5,000,000) | \$ (5,000,000) | \$ - |
| Developer Contributions | \$ - | \$ - | \$ - | \$ - | \$ (43,500) | \$ - |
| Donations | \$ - | \$ (7,500) | \$ (9,000) | \$ (9,000) | \$ (13,000) | \$ (14,000) |
| Grants | \$ (1,784,000) | \$ (1,409,600) | \$ (800,950) | \$ (1,144,840) | \$ (1,149,390) | \$ (8,042,030) |
| Misc Revenue | \$ - | \$ (1,500) | \$ (25,000) | \$ (460,000) | \$ (145,000) | \$ (110,000) |
| Parkland Revenue | \$ (17,000) | \$ (50,000) | \$ - | \$ - | \$ - | \$ - |
| Revitalization Revenue | \$ - | \$ - | \$ - | \$ - | \$ (50,000) | \$ - |
| Capital Levy | \$ (2,929,300) | \$ (3,597,076) | \$ (4,188,830) | \$ (4,299,650) | \$ (4,643,520) | \$ (3,554,500) |
| Transfer To/From Reserve | \$ (3,165,000) | \$ (3,357,000) | \$ (2,529,600) | \$ (4,351,130) | \$ (3,884,160) | \$ (9,061,020) |
| Total Revenues | \$ (7,925,300) | \$ (11,962,676) | \$ (14,053,380) | \$ (15,264,620) | \$ (15,036,370) | \$ (22,756,950) |

- There are numerous sources of revenue that are available to fund capital, some of which are related to asset replacement, program expansion and growth.
- **DC Revenues** and **Developer Contributions** are used to fund growth related capital.
- **Grants** include federal and provincial conditional grants, gas tax, OMPF (2020 only).
- The Town proactively contributes to Capital Reserves annually which are used, as shown above, to fund capital programs. Annual contributions are required as capital requirements vary annually. This helps to smooth the impact on the Capital Levy.
- As shown above, the **Capital Levy** which is included in the Town's tax rates has been increasing. In 2020, this is lower than 2019, as a result of the OMPF grant which was directed to capital. In the future, the OMPF grant will be allocated to the capital program.



***Detailed Analysis By
Service Category***



BRACEBRIDGE
The Heart of Muskoka

General Government



General Government– Summary by Business Unit

| General Government | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Council | \$ 258,400 | \$ 249,300 | \$ 267,650 | \$ 286,090 | \$ 337,190 | \$ 347,350 | 13.0% | \$ 88,950 | 6.1% |
| Corporate Services | \$ 1,111,800 | \$ 1,243,300 | \$ 1,209,010 | \$ 1,253,640 | \$ 1,406,510 | \$ 1,404,810 | 52.8% | \$ 293,010 | 4.8% |
| Finance | \$ 592,450 | \$ 619,200 | \$ 651,510 | \$ 685,120 | \$ 700,300 | \$ 676,180 | 25.4% | \$ 83,730 | 2.7% |
| Municipal Office | \$ 210,150 | \$ 192,660 | \$ 192,370 | \$ 216,160 | \$ 225,230 | \$ 233,670 | 8.8% | \$ 23,520 | 2.1% |
| Total Net Operating Levy | \$ 2,172,800 | \$ 2,304,460 | \$ 2,320,540 | \$ 2,441,010 | \$ 2,669,230 | \$ 2,662,010 | 100.0% | \$ 489,210 | 4.1% |
| Council | | | | | | | | | |
| Corporate Services | \$ - | \$ 115,000 | \$ 79,000 | \$ 15,000 | \$ - | \$ - | 0.0% | \$ - | |
| Finance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 10,000 | 100.0% | \$ 10,000 | 0.0% |
| Municipal Office | \$ 97,000 | \$ 4,600 | \$ 20,000 | \$ - | \$ - | \$ - | 0.0% | \$ (97,000) | -100.0% |
| Total Net Capital Levy | \$ 97,000 | \$ 119,600 | \$ 99,000 | \$ 15,000 | \$ - | \$ 10,000 | 100.0% | \$ (87,000) | -36.5% |
| Net Operating and Capital Levy | \$2,269,800 | \$2,424,060 | \$2,419,540 | \$2,456,010 | \$2,669,230 | \$2,672,010 | 100.4% | \$ 402,210 | 3.3% |

- General Government includes Council, Corporate Services, Finance and Municipal Office.
- Corporate Services comprises 53% of the General Government Operating Levy in 2020.
- The average annualized % change from 2015-2020 is 4.1% on the Net Operating Levy.
- The Capital Levy varies annually based on the capital projects.
- The combined capital and net levy experienced an average annual increase of 3.3%.
- Further details regarding budget drivers have been included for each of the above noted business units.

General Government – Variance Analysis

| General Government | Budget to Actuals Variances | | | | | 3 Year Average |
|--------------------------|-----------------------------|-------------|-------------|-------------|-------------|----------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Council | \$ 12,489 | \$ 4,568 | \$ 14,055 | \$ (3,959) | \$ 11,434 | \$ 7,200 |
| Corporate Services | \$ 3,537 | \$ 91,217 | \$ 90,346 | \$ (39,727) | \$ 14,786 | \$ 21,800 |
| Finance | \$ 50,047 | \$ 88,927 | \$ 134,499 | \$ 81,366 | \$ 47,787 | \$ 87,900 |
| Municipal Office | \$ 4,605 | \$ (25,455) | \$ (36,251) | \$ 11,061 | \$ (10,863) | \$ (12,000) |
| Total Net Operating Levy | \$ 70,678 | \$ 159,257 | \$ 202,649 | \$ 48,741 | \$ 63,144 | \$ 104,800 |

A comparison was made between what was budgeted in each of the years in relation to the actual operating revenues and expenditures. The table above reflects the difference between the budget and the actuals. Note: a positive number reflects a net underspending.

- While a five year trend analysis has been included, the primary focus was on the last three years to provide an understanding of areas where opportunities may exist to reduce the net levy based on the budget to actual variance analysis. The following summarizes the findings:
 - No opportunities for savings were identified in the **Council** or **Corporate Services Budget**.
 - **Finance** – While there are positive variances, this is related to reserve transfers. There is the potential to reduce miscellaneous expenditures based on the variance analysis. It is recommended these expenditures be reviewed with the potential for reductions of \$0-\$10,000.
 - **Municipal Offices** - Utilities have been trending down. There may be the potential to reduce the budget further in 2021 as the actual expenditures in 2019 were approximately \$10,000 lower than 2020 Budget. However, there have been over expenditures in repairs and maintenance beyond what has been included in the 2020 Budget which may offset any potential savings in utilities.

General Government– Summary by Operating Object of Expenditure/Revenue

| Operating General Government | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 1,448,300 | \$ 1,468,400 | \$ 1,613,730 | \$ 1,609,500 | \$ 1,751,460 | \$ 1,783,750 | 50.8% | \$ 335,450 | 4.3% |
| Contracted Services | \$ 74,500 | \$ 138,500 | \$ 114,080 | \$ 135,990 | \$ 135,220 | \$ 298,680 | 8.5% | \$ 224,180 | 32.0% |
| Materials & Supplies | \$ 123,750 | \$ 119,600 | \$ 103,630 | \$ 109,380 | \$ 111,280 | \$ 114,370 | 3.3% | \$ (9,380) | -1.6% |
| Transfer To/From Reserve | \$ 134,500 | \$ 115,900 | \$ 110,200 | \$ 239,800 | \$ 388,600 | \$ 484,800 | 13.8% | \$ 350,300 | 29.2% |
| I.T Support | \$ 92,000 | \$ 98,200 | \$ 100,680 | \$ 96,510 | \$ 99,210 | \$ 107,560 | 3.1% | \$ 15,560 | 3.2% |
| Utilities | \$ 91,100 | \$ 89,000 | \$ 87,500 | \$ 100,860 | \$ 103,240 | \$ 97,900 | 2.8% | \$ 6,800 | 1.5% |
| Insurance | \$ 191,900 | \$ 208,660 | \$ 217,590 | \$ 266,240 | \$ 303,060 | \$ 235,820 | 6.7% | \$ 43,920 | 4.2% |
| Misc Expenses | \$ 281,200 | \$ 321,100 | \$ 318,230 | \$ 398,130 | \$ 377,090 | \$ 385,150 | 11.0% | \$ 103,950 | 6.5% |
| Total Operating Expenses | \$ 2,437,250 | \$ 2,559,360 | \$ 2,665,640 | \$ 2,956,410 | \$ 3,269,160 | \$ 3,508,030 | 100.0% | \$ 1,070,780 | 7.6% |
| Licenses | \$ 12,300 | \$ 12,700 | \$ 13,770 | \$ 13,480 | \$ 12,560 | \$ 11,870 | 1.4% | \$ (430) | -0.7% |
| Misc Revenue | \$ 28,700 | \$ 33,900 | \$ 34,860 | \$ 35,000 | \$ 82,140 | \$ 43,100 | 5.1% | \$ 14,400 | 8.5% |
| Transfer To/From Reserve | \$ 14,500 | \$ 18,900 | \$ 86,240 | \$ 126,290 | \$ 61,600 | \$ 249,400 | 29.5% | \$ 234,900 | 76.6% |
| Land Disposition Revenue | \$ 118,800 | \$ 94,500 | \$ 113,760 | \$ 246,100 | \$ 360,800 | \$ 457,000 | 54.0% | \$ 338,200 | 30.9% |
| Financial Revenue | \$ 73,800 | \$ 78,300 | \$ 80,000 | \$ 77,900 | \$ 66,200 | \$ 67,500 | 8.0% | \$ (6,300) | -1.8% |
| Lease Revenue | \$ 16,350 | \$ 16,600 | \$ 16,470 | \$ 16,630 | \$ 16,630 | \$ 17,150 | 2.0% | \$ 800 | 1.0% |
| Total Operating Revenues | \$ 264,450 | \$ 254,900 | \$ 345,100 | \$ 515,400 | \$ 599,930 | \$ 846,020 | 100.0% | \$ 581,570 | 26.2% |
| Total Net Operating Levy | \$ 2,172,800 | \$ 2,304,460 | \$ 2,320,540 | \$ 2,441,010 | \$ 2,669,230 | \$ 2,662,010 | | \$ 489,210 | 4.1% |

- Contributions to the Reserves is a budget driver with an increase in contributions from \$134,500 in 2015 to \$484,800 in 2020 as a part of the Town's strategy to support operating and capital requirements.

General Government – Variance Analysis

| Operating General Government | Budget to Actuals Variances | | | | | 3 Year Average |
|---------------------------------|-----------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Salaries, Wages & Benefits | \$ 38,692 | \$ 80,147 | \$ 177,817 | \$ 14,746 | \$ 35,225 | \$ 75,900 |
| Contracted Services | \$ 24,165 | \$ 56,862 | \$ 56,681 | \$ 43,232 | \$ 39,474 | \$ 46,500 |
| Materials & Supplies | \$ 10,321 | \$ 22,124 | \$ 1,901 | \$ 3,128 | \$ 2,660 | \$ 2,600 |
| Transfer To/From Reserve | \$ 80,701 | \$ (65,165) | \$ (135,771) | \$ (663,478) | \$ (527,293) | \$ (442,200) |
| I.T Support | \$ (6,125) | \$ 9,040 | \$ 9,801 | \$ 9,115 | \$ 8,230 | \$ 9,000 |
| Utilities | \$ 3,748 | \$ (9,122) | \$ (13,025) | \$ 2,929 | \$ 14,860 | \$ 1,600 |
| Insurance | \$ (11,737) | \$ (41) | \$ 356 | \$ (150) | \$ 1 | \$ 100 |
| Misc Expenses | \$ (3,212) | \$ 43,843 | \$ 34,576 | \$ (49,855) | \$ (50,651) | \$ (22,000) |
| Total Operating Expenses | \$ 136,553 | \$ 137,689 | \$ 132,335 | \$ (640,334) | \$ (477,494) | \$ (328,500) |
| Licenses | \$ 146 | \$ (1,985) | \$ (259) | \$ 3,941 | \$ 3,493 | \$ 2,400 |
| Misc Revenue | \$ (6,808) | \$ (12,263) | \$ (22,827) | \$ (62,850) | \$ (590,888) | \$ (225,500) |
| Transfer To/From Reserve | \$ 1,297 | \$ - | \$ 53,630 | \$ 34,100 | \$ 37,178 | \$ 41,600 |
| Land Disposition Revenue | \$ 87,623 | \$ (5,337) | \$ (99,611) | \$ (675,844) | \$ 17,289 | \$ (252,700) |
| Financial Revenue | \$ (16,262) | \$ (3,337) | \$ (1,087) | \$ 11,580 | \$ (7,707) | \$ 900 |
| Lease Revenue | \$ (121) | \$ 1,354 | \$ (162) | \$ (2) | \$ (2) | \$ (100) |
| Total Operating Revenues | \$ 65,876 | \$ (21,568) | \$ (70,315) | \$ (689,075) | \$ (540,637) | \$ (433,300) |
| Total Net Operating Levy | \$ 70,678 | \$ 159,257 | \$ 202,649 | \$ 48,741 | \$ 63,144 | \$ 104,800 |

The following summarizes the findings:

General Government
Potential opportunities for levy reduction
 Range \$0 - \$20,000



***Detailed Analysis
General Government***



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line Council



Council – Background Information

Services and Portfolio

- Town Council is composed of the Mayor, three District Councillors (one of which has been appointed as Deputy Mayor) and five Ward Councillors.
- Council provides strategic and political leadership in the delivery of services provided by the Town of Bracebridge and in addressing issues of public concern, in accordance with the provisions of the Municipal Act, 2001.
- Under Council's direction, citizens of the Town of Bracebridge are provided with an efficient and quality level of service in those areas of jurisdiction authorized under the Municipal Act and other Provincial statutes. Council considers and makes decisions concerning all policy matters, operating and capital budgets, and any other items brought forward by the Chief Administrative Officer and the various Town departments.

Council – Net Operating Levy

| Operating Council | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 218,700 | \$ 210,100 | \$ 217,900 | \$ 233,090 | \$ 276,080 | \$ 285,940 | 80.7% | \$ 67,240 | 5.5% |
| Contracted Services | \$ - | \$ - | \$ 2,000 | \$ 5,000 | \$ 5,500 | \$ 5,500 | 1.6% | \$ 5,500 | 0.0% |
| Transfer To/From Reserve | \$ 1,300 | \$ 1,300 | \$ 1,300 | \$ - | \$ 6,600 | \$ 6,600 | 1.9% | \$ 5,300 | 38.4% |
| I.T Support | \$ 4,600 | \$ 4,600 | \$ 4,950 | \$ 5,230 | \$ 5,480 | \$ 5,510 | 1.6% | \$ 910 | 3.7% |
| Misc Expenses | \$ 33,800 | \$ 35,200 | \$ 43,420 | \$ 48,590 | \$ 45,450 | \$ 50,720 | 14.3% | \$ 16,920 | 8.5% |
| Total Operating Expenses | \$ 258,400 | \$ 251,200 | \$ 269,570 | \$ 291,910 | \$ 339,110 | \$ 354,270 | 100.0% | \$ 95,870 | 6.5% |
| Total Operating Revenues | \$ - | \$ 1,900 | \$ 1,920 | \$ 5,820 | \$ 1,920 | \$ 6,920 | | \$ 6,920 | 0.0% |
| Total Net Operating Levy | \$ 258,400 | \$ 249,300 | \$ 267,650 | \$ 286,090 | \$ 337,190 | \$ 347,350 | | \$ 88,950 | 6.1% |

- The Total Net Operating Levy increased, on average 6.1% annually from 2015-2020 for a total increase of \$88,950.
- The increase in Council salaries in 2019 was a result of both a compensation review as well as the elimination of the one third tax exemption.
- The introduction of a contracted service expense is related to the Integrity Commissioner contract.
- Contained within the miscellaneous expenses are travel/accommodation which comprises the majority of the budgeted increases. These costs have increased to ensure sufficient funds are available for Council attendance at key conferences such as AMO, ROMA, OGRA, OSUM and FCM.

Council – Variance Analysis

| Operating Council | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------------|-----------------------------|-----------------|------------------|-------------------|-------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Salaries, Wages & Benefits | \$ 5,550 | \$ 5,781 | \$ 2,256 | \$ (1,584) | \$ 4,233 | \$ 1,600 |
| Contracted Services | \$ - | \$ - | \$ (2,343) | \$ 810 | \$ (553) | \$ (700) |
| Transfer To/From Reserve | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| I.T Support | \$ 36 | \$ (20) | \$ (341) | \$ 382 | \$ 22 | \$ - |
| Misc Expenses | \$ 4,986 | \$ (1,210) | \$ 14,488 | \$ (3,563) | \$ 2,735 | \$ 4,600 |
| Total Operating Expenses | \$ 10,572 | \$ 4,551 | \$ 14,059 | \$ (3,956) | \$ 6,437 | \$ 5,500 |
| Total Operating Revenues | \$ (1,917) | \$ (17) | \$ 3 | \$ 3 | \$ (4,997) | \$ (1,700) |
| Total Net Operating Levy | \$ 12,489 | \$ 4,568 | \$ 14,055 | \$ (3,959) | \$ 11,434 | \$ 7,200 |

Note: a positive number reflects a net underspending on expenditures and a negative variance in revenues reflects higher than anticipated revenues.

No opportunities to reduce the budget were identified in the Council Budget.



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line Corporate Services



Corporate Services– Background Information

Services and Portfolio

The Corporate Services Department is composed of three functional branches:

- **Administration Branch** – Clerks, CAO, licensing and permits and includes other corporate costs such as municipal memberships, liability insurance, website, information technology and corporate advertising, Corporate IT requirements, cemetery maintenance (reported separately) and operations; and acting as liaison to the Town’s solicitor on property and administrative activities.
- **By-Law Enforcement Branch** - (reported separately under Protection Services in this report).
- **Human Resources Branch** – Staff recruitment; salary and benefits administration (with the Finance Department); employee and labour relations; Performance Management; Health and Safety; Wellness; and staff training and development.

Corporate Services – Net Operating Levy

| Operating Corporate Services | 2015 | 2016 | Budget | | | | 2020 | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------|--------------------|------------------------|--------------------------|
| | | | 2017 | 2018 | 2019 | 2020 | | | | |
| Salaries, Wages & Benefits | \$ 656,500 | \$ 677,800 | \$ 708,710 | \$ 697,350 | \$ 799,310 | \$ 858,140 | 42.2% | \$ 201,640 | 5.5% | |
| Contracted Services | \$ 4,500 | \$ 56,500 | \$ 50,700 | \$ 71,890 | \$ 68,120 | \$ 123,180 | 6.1% | \$ 118,680 | 93.8% | |
| Materials & Supplies | \$ 76,300 | \$ 82,000 | \$ 73,830 | \$ 73,430 | \$ 73,370 | \$ 75,360 | 3.7% | \$ (940) | -0.2% | |
| Transfer To/From Reserve | \$ 133,200 | \$ 114,600 | \$ 108,900 | \$ 239,800 | \$ 382,000 | \$ 478,200 | 23.5% | \$ 345,000 | 29.1% | |
| I.T Support | \$ 55,100 | \$ 61,200 | \$ 61,090 | \$ 49,450 | \$ 49,860 | \$ 57,950 | 2.8% | \$ 2,850 | 1.0% | |
| Insurance | \$ 185,100 | \$ 201,700 | \$ 210,420 | \$ 259,850 | \$ 296,410 | \$ 229,800 | 11.3% | \$ 44,700 | 4.4% | |
| Legal | \$ 62,500 | \$ 80,000 | \$ 55,000 | \$ 60,000 | \$ 80,000 | \$ 60,000 | 2.9% | \$ (2,500) | -0.8% | |
| Misc Expenses | \$ 100,700 | \$ 105,600 | \$ 132,970 | \$ 194,420 | \$ 122,420 | \$ 152,830 | 7.5% | \$ 52,130 | 8.7% | |
| Total Operating Expenses | \$ 1,273,900 | \$ 1,379,400 | \$ 1,401,620 | \$ 1,646,190 | \$ 1,871,490 | \$ 2,035,460 | 100.0% | \$ 761,560 | 9.8% | |
| Licenses | \$ 12,300 | \$ 12,700 | \$ 13,770 | \$ 13,480 | \$ 12,560 | \$ 11,870 | 1.9% | \$ (430) | -0.7% | |
| Misc Revenue | \$ 16,500 | \$ 20,000 | \$ 19,840 | \$ 20,480 | \$ 44,920 | \$ 22,580 | 3.6% | \$ 6,080 | 6.5% | |
| Transfer To/From Reserve | \$ 14,500 | \$ 8,900 | \$ 45,240 | \$ 112,490 | \$ 46,700 | \$ 139,200 | 22.1% | \$ 124,700 | 57.2% | |
| Land Disposition Revenue | \$ 118,800 | \$ 94,500 | \$ 113,760 | \$ 246,100 | \$ 360,800 | \$ 457,000 | 72.5% | \$ 338,200 | 30.9% | |
| Total Operating Revenues | \$ 162,100 | \$ 136,100 | \$ 192,610 | \$ 392,550 | \$ 464,980 | \$ 630,650 | 100.0% | \$ 468,550 | 31.2% | |
| Total Net Operating Levy | \$ 1,111,800 | \$ 1,243,300 | \$ 1,209,010 | \$ 1,253,640 | \$ 1,406,510 | \$ 1,404,810 | | \$ 293,010 | 4.8% | |

- Total Net Operating Levy increased, on average, 4.8% annually from 2015-2020 for a total change of \$293,010.
- 42% of the total expenditures are related to salaries, wages and benefits which have increased, on average by 5.5% annually. This includes an increase of one full-time position in Clerks in 2019 and the annualization of the position in 2020.

Corporate Services – Variance Analysis

| Operating Corporate Services | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------------|-----------------------------|--------------------|--------------------|---------------------|------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Salaries, Wages & Benefits | \$ 19,228 | \$ 3,625 | \$ 50,755 | \$ (13,776) | \$ (5,292) | \$ 10,600 |
| Contracted Services | \$ 3,293 | \$ 45,902 | \$ 49,581 | \$ 29,839 | \$ 49,344 | \$ 42,900 |
| Materials & Supplies | \$ 15,461 | \$ 17,439 | \$ 2,611 | \$ 584 | \$ 1,090 | \$ 1,400 |
| Transfer To/From Reserve | \$ 90,701 | \$ (49,165) | \$ (125,871) | \$ (663,478) | \$ 84,754 | \$ (234,900) |
| I.T Support | \$ (5,597) | \$ 8,997 | \$ 12,542 | \$ 3,857 | \$ 8,000 | \$ 8,100 |
| Insurance | \$ (11,739) | \$ (43) | \$ 354 | \$ (153) | \$ (0) | \$ 100 |
| Legal | \$ (32,112) | \$ 46,932 | \$ 3,626 | \$ (61,178) | \$ 31,242 | \$ (8,800) |
| Misc Expenses | \$ 10,192 | \$ 4,916 | \$ 38,645 | \$ 14,141 | \$ (84,689) | \$ (10,600) |
| Total Operating Expenses | \$ 89,428 | \$ 78,603 | \$ 32,242 | \$ (690,164) | \$ 84,449 | \$ (191,200) |
| Licenses | \$ 146 | \$ (1,985) | \$ (259) | \$ 3,941 | \$ 3,493 | \$ 2,400 |
| Misc Revenue | \$ (3,176) | \$ (5,292) | \$ (3,474) | \$ (2,734) | \$ 22,024 | \$ 5,300 |
| Transfer To/From Reserve | \$ 1,297 | \$ - | \$ 45,240 | \$ 24,200 | \$ 26,857 | \$ 32,100 |
| Land Disposition Revenue | \$ 87,623 | \$ (5,337) | \$ (99,611) | \$ (675,844) | \$ 17,289 | \$ (252,700) |
| Total Operating Revenues | \$ 85,891 | \$ (12,613) | \$ (58,104) | \$ (650,437) | \$ 69,663 | \$ (213,000) |
| Total Net Operating Levy | \$ 3,537 | \$ 91,217 | \$ 90,346 | \$ (39,727) | \$ 14,786 | \$ 21,800 |

Note: a positive number reflects a net underspending on expenditures and a negative variance in revenues reflects higher than anticipated revenues.

While there is a positive variance for contracted service expenses, this is offset by transfers from the reserves. No opportunities to reduce the budget were identified.

Corporate Services – Key Findings and Observations

- The Town re-tendered its insurance which resulted in a reduction in the cost of service by \$66,600 in 2020. This is a leading practice and is recommended every 3-5 years.
- Contracted Services costs include allocations for a Pay Equity update for bargaining unit positions (funded from reserve), a joint review of IT Services with the Town of Gravenhurst (funded from reserve), Corporate Communications Plan (funded from reserve), Hospital Planning (funded from reserve), and miscellaneous other contracted services (i.e. webcasting, EAP, shredding, etc.). Funding one-time projects from reserves is a leading practice as it smooths the impact to property taxes.
- IT Support is provided by the District. A review of the existing contract was planned for 2020 but it is anticipated that this will be undertaken in 2021.
- Legal is a contracted service which is a relatively common practice in small municipalities as there is a need to address a variety of corporate issues and cannot be efficiently provided through internal resources. Legal costs are subject to some volatility based on events that may arise.
- The Town has initiated an Electronic Document and Records Management System (EDRMS) project, working with the Town of Gravenhurst and the District of Muskoka to acquire and implement (EDRMS). This will create efficiencies within the corporation, once implemented and is a leading practice. There may be further opportunities to reduce costs if additional Muskoka municipalities were to participate.



BRACEBRIDGE
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Line-by-Line Finance



Finance – Background Information

Services and Portfolio

Finance key responsibilities include:

- Accounting;
- Taxation and financial advisory activities;
- Budgeting and administration of financial policies;
- Billing and collection of taxes and ensuring compliance with various legislative requirements;
- Services are also provided to other associated organizations;
- Financial reporting to both internal and external users;
- Cash flow, banking, borrowing and investments;
- Asset management;
- Performance measurement;
- Insurance and risk management;
- Administration of payroll and benefits;
- Accounts payable and receivable; and
- Front counter, phone and reception coverage (assisting Corporate Services Department).

Finance - Net Operating Levy

| Operating Finance | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 543,100 | \$ 552,300 | \$ 658,550 | \$ 650,020 | \$ 646,600 | \$ 639,670 | 74.3% | \$ 96,570 | 3.3% |
| Contracted Services | \$ 35,000 | \$ 50,000 | \$ 28,880 | \$ 26,600 | \$ 29,100 | \$ 99,500 | 11.6% | \$ 64,500 | 23.2% |
| Materials & Supplies | \$ 24,250 | \$ 24,200 | \$ 21,200 | \$ 27,050 | \$ 27,050 | \$ 29,650 | 3.4% | \$ 5,400 | 4.1% |
| I.T Support | \$ 32,300 | \$ 32,400 | \$ 34,640 | \$ 41,830 | \$ 43,870 | \$ 44,100 | 5.1% | \$ 11,800 | 6.4% |
| Studies and Plans | \$ - | \$ 15,000 | \$ 4,000 | \$ - | \$ 40,000 | \$ 30,000 | 3.5% | \$ 30,000 | 0.0% |
| Misc Expenses | \$ 37,900 | \$ 39,600 | \$ 32,340 | \$ 34,020 | \$ 19,080 | \$ 18,460 | 2.1% | \$ (19,440) | -13.4% |
| Total Operating Expenses | \$ 672,550 | \$ 713,500 | \$ 779,610 | \$ 779,520 | \$ 805,700 | \$ 861,380 | 100.0% | \$ 188,830 | 5.1% |
| Total Operating Revenues | \$ 80,100 | \$ 94,300 | \$ 128,100 | \$ 94,400 | \$ 105,400 | \$ 185,200 | | \$ 105,100 | 18.3% |
| Total Net Operating Levy | \$ 592,450 | \$ 619,200 | \$ 651,510 | \$ 685,120 | \$ 700,300 | \$ 676,180 | | \$ 83,730 | 2.7% |

- The total Net Operating Levy increased, on average, 2.7% annually from 2015-2020 for a total change of \$83,730.
- Contracted services increased in 2020 to reflect the estimated cost of the line-by-line budget review, which is offset by a reserve transfer. As the Town's application for funding under the Municipal Modernization Program was approved, reserve funding will not be required.
- The Town re-tendered its audit last year, in keeping with leading practices. The Town's banking contract is also reviewed regularly with favourable terms.

Finance - Variance Analysis

| Operating Finance | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------------|-----------------------------|--------------------|--------------------|--------------------|---------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Salaries, Wages & Benefits | \$ 11,987 | \$ 68,626 | \$ 122,225 | \$ 28,305 | \$ 31,746 | \$ 60,800 |
| Contracted Services | \$ 17,056 | \$ 14,893 | \$ 8,682 | \$ 2,715 | \$ (174) | \$ 3,700 |
| Materials & Supplies | \$ 1,311 | \$ 513 | \$ (1,002) | \$ (106) | \$ (21) | \$ (400) |
| I.T Support | \$ (564) | \$ 63 | \$ (2,400) | \$ 4,876 | \$ 208 | \$ 900 |
| Studies and Plans | \$ - | \$ 3,552 | \$ (3,610) | \$ - | \$ 1,499 | \$ (700) |
| Misc Expenses | \$ 12,474 | \$ 6,889 | \$ 8,350 | \$ 7,072 | \$ 16,175 | \$ 10,500 |
| Total Operating Expenses | \$ 32,264 | \$ 78,535 | \$ 122,346 | \$ 42,861 | \$ (562,615) | \$ (132,500) |
| Total Operating Revenues | \$ (17,783) | \$ (10,392) | \$ (12,153) | \$ (38,506) | \$ (610,402) | \$ (220,400) |
| Total Net Operating Levy | \$ 50,047 | \$ 88,927 | \$ 134,499 | \$ 81,366 | \$ 47,787 | \$ 87,900 |

Note: a positive number reflects a net underspending on expenditures and a negative variance in revenues reflects higher than anticipated revenues.

The majority of the variance is related to salaries, wages and benefits (i.e. staff absences).

No opportunities to reduce the budget were identified with the exception of Miscellaneous Expenses which have been under budget from 2015-2020. Miscellaneous Expenses includes minor capital, memberships, mileage, training and travel. It is recommended these expenditures be reviewed with the potential for reductions of \$0-\$10,000.

Finance – Key Findings and Observations

Finance is pursuing a number of leading practices that includes:

- Engaging a third party firm to complete a review of sales tax transactions to identify opportunities for recovery and confirm compliance with legislative requirements;
- Working with the District Municipality of Muskoka and the Town of Gravenhurst to procure and implement asset management software to assist in operationalizing the AMP and meet compliance requirements of the Asset Management Planning for Municipal Infrastructure Regulation (O. Reg. 588/17);
- Evaluating, acquiring and implementing budgeting software to enhance the Town's budgeting process, allow for multi-year budgeting and advance budget development timing. A move to multi-year budgeting is a leading practice that municipalities are moving toward to align with terms of Council and provide improved budgeting;
- Reviewing and updating the Town's Purchasing and Asset Disposition Policies, Procedures and Practices to ensure compliance with applicable legislation, value maximization and consideration of best practices;
- Undertaking a comprehensive review of the Town's Benefits Program, including a comparison evaluation with other municipalities; and
- Preparing an investment policy.



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line Municipal Offices



Municipal Offices – Net Operating Levy

| Operating Municipal Offices | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 30,000 | \$ 28,200 | \$ 28,570 | \$ 29,040 | \$ 29,470 | \$ - | 0.0% | \$ (30,000) | -100.0% |
| Contracted Services | \$ 35,000 | \$ 32,000 | \$ 32,500 | \$ 32,500 | \$ 32,500 | \$ 70,500 | 27.4% | \$ 35,500 | 15.0% |
| Repair & Maintenance | \$ 30,000 | \$ 30,000 | \$ 35,000 | \$ 46,000 | \$ 50,000 | \$ 53,000 | 20.6% | \$ 23,000 | 12.1% |
| Utilities | \$ 91,100 | \$ 89,000 | \$ 87,500 | \$ 100,860 | \$ 103,240 | \$ 97,900 | 38.1% | \$ 6,800 | 1.5% |
| Financial Expense | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | 6.2% | \$ - | 0.0% |
| Misc Expenses | \$ 30,300 | \$ 20,060 | \$ 15,270 | \$ 14,390 | \$ 21,650 | \$ 19,520 | 7.6% | \$ (10,780) | -8.4% |
| Total Operating Expenses | \$ 232,400 | \$ 215,260 | \$ 214,840 | \$ 238,790 | \$ 252,860 | \$ 256,920 | 100.0% | \$ 24,520 | 2.0% |
| Total Operating Revenues | \$ 22,250 | \$ 22,600 | \$ 22,470 | \$ 22,630 | \$ 27,630 | \$ 23,250 | | \$ 1,000 | 0.9% |
| Total Net Operating Levy | \$ 210,150 | \$ 192,660 | \$ 192,370 | \$ 216,160 | \$ 225,230 | \$ 233,670 | | \$ 23,520 | 2.1% |

- The Total Net Operating Levy increased, on average, 2.1% annually from 2015-2020 for a total change of \$23,5200.
- Repairs and Maintenance have been increased to reflect expense levels experienced over the past several years, including an increase in cost to maintain the building's backup power generator, formerly funded through the Emergency Planning section.
- Contracted Services have increased, with an offsetting decrease in Wages and Benefits, as the Municipal Office is now being cleaned by an outside contractor.

Municipal Offices – Variance Analysis

| Operating Municipal Offices | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------------|-----------------------------|--------------------|--------------------|------------------|--------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Salaries, Wages & Benefits | \$ 1,927 | \$ 2,115 | \$ 2,581 | \$ 1,801 | \$ 4,538 | \$ 3,000 |
| Contracted Services | \$ 3,816 | \$ (3,933) | \$ 761 | \$ 9,868 | \$ (9,143) | \$ 500 |
| Repair & Maintenance | \$ 443 | \$ (17,643) | \$ (27,264) | \$ (6,291) | \$ (15,585) | \$ (16,400) |
| Utilities | \$ 3,748 | \$ (9,122) | \$ (13,025) | \$ 2,929 | \$ 14,860 | \$ 1,600 |
| Financial Expense | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Misc Expenses | \$ (5,645) | \$ 4,582 | \$ 635 | \$ 2,618 | \$ (434) | \$ 900 |
| Total Operating Expenses | \$ 4,289 | \$ (24,000) | \$ (36,312) | \$ 10,925 | \$ (5,764) | \$ (10,400) |
| Total Operating Revenues | \$ (316) | \$ 1,454 | \$ (62) | \$ (136) | \$ 5,098 | \$ 1,600 |
| Total Net Operating Levy | \$ 4,605 | \$ (25,455) | \$ (36,251) | \$ 11,061 | \$ (10,863) | \$ (12,000) |

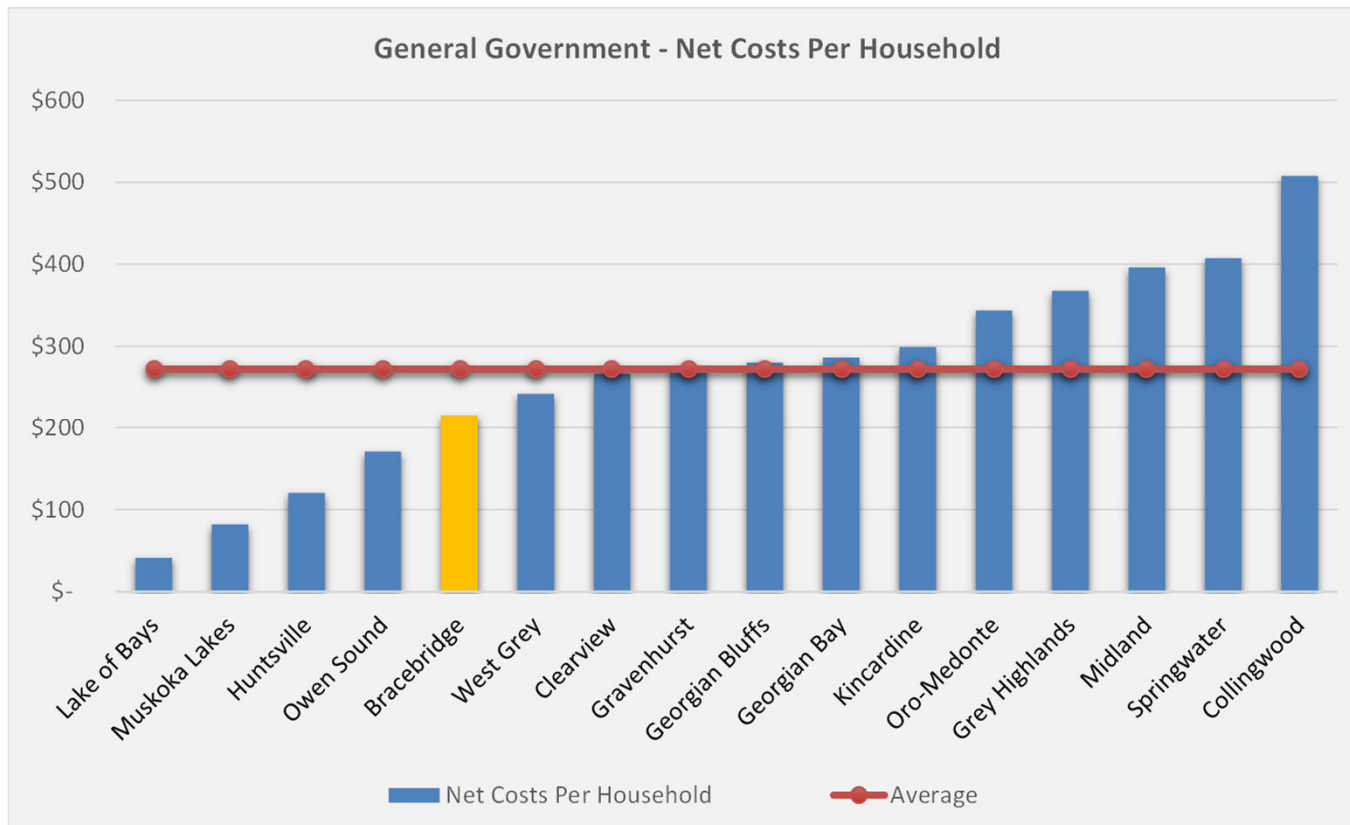
Note: a positive number reflects a net underspending on expenditures and a negative variance in revenues reflects higher than anticipated revenues.

- Utilities have been trending down and an adjustment was made to the 2020 to reflect this trend. There may be the potential to reduce the budget further in 2021 as the actual expenditures in 2019 were approximately \$10,000 lower than 2020 Budget.
- There have been over expenditures in Repairs and Maintenance in the last four years. An increase in the 2020 Budget was made.



***Benchmarking
General Government***

General Government – Net Costs Per Household



- General Government costs in Bracebridge are amongst the lowest in the peer survey on a per household basis.



BRACEBRIDGE
The Heart of Muskoka

Protection Services



Protection Services – Summary by Business Unit

| Protection Services | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | Avg Annual % change 2015-2020 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|------------------------|-------------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Emergency Planning | \$ 22,000 | \$ 22,000 | \$ 21,750 | \$ 18,750 | \$ 18,250 | \$ 18,250 | 1.2% | \$ (3,750) | -3.7% |
| By-law Enforcement | \$ 173,130 | \$ 176,940 | \$ 244,540 | \$ 283,940 | \$ 289,000 | \$ 283,780 | 19.0% | \$ 110,650 | 10.4% |
| Crossing Guards | \$ 28,700 | \$ 28,600 | \$ 29,270 | \$ 31,750 | \$ 31,690 | \$ 32,070 | 2.2% | \$ 3,370 | 2.2% |
| Fire | \$ 740,950 | \$ 803,700 | \$ 827,950 | \$ 1,113,580 | \$ 1,150,210 | \$ 1,157,100 | 77.6% | \$ 416,150 | 9.3% |
| Total Net Operating | \$ 964,780 | \$ 1,031,240 | \$ 1,123,510 | \$ 1,448,020 | \$ 1,489,150 | \$ 1,491,200 | 100.0% | \$ 526,420 | 9.1% |
| Emergency Planning | | | | | | | | | |
| By-law Enforcement | \$ 22,000 | \$ 22,000 | \$ 7,000 | \$ 7,500 | \$ 7,000 | \$ 7,000 | 3.4% | \$ (15,000) | -20.5% |
| Crossing Guards | | | | | | | | | |
| Fire | \$ 289,100 | \$ 327,400 | \$ 336,000 | \$ 315,000 | \$ 280,000 | \$ 200,000 | 96.6% | \$ (89,100) | -7.1% |
| Total Net Capital Levy | \$ 311,100 | \$ 349,400 | \$ 343,000 | \$ 322,500 | \$ 287,000 | \$ 207,000 | 100.0% | \$ (104,100) | -7.8% |
| Net Operating and Capital Levy | \$ 1,275,880 | \$ 1,380,640 | \$ 1,466,510 | \$ 1,770,520 | \$ 1,776,150 | \$ 1,698,200 | | \$ 422,320 | 5.9% |

- Protection Services includes Emergency Planning, By-law Enforcement, Crossing Guards and Fire.
- Fire Comprises 77.6% of the Protection Services Operating Levy in 2020 and 96.6% of the 2020 Capital Levy for this area.
- The average annualized % change from 2015 to 2020 is 9.1% on the Net Operating Levy, driven mainly by an increase in the Fire Operating Budget.
- The combined Capital and Operating Levy experienced an average annual increase of 5.9%.

Protection Services – Variance Analysis

| Protection Services | Budget to Actuals Variances | | | | | 3 Year Average |
|----------------------------|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Emergency Planning | \$ 1,405 | \$ (2,121) | \$ 5,584 | \$ 1,283 | \$ 451 | \$ 2,400 |
| By-law Enforcement | \$ 14,263 | \$ (12,870) | \$ 33,835 | \$ 28,459 | \$ 36,648 | \$ 33,000 |
| Crossing Guards | \$ 2,018 | \$ 341 | \$ 1,522 | \$ 3,802 | \$ 3,922 | \$ 3,100 |
| Fire | \$ 28,004 | \$ 73,433 | \$ 20,630 | \$ (15,387) | \$ 21,745 | \$ 9,000 |
| Total Net Operating | \$ 45,690 | \$ 58,783 | \$ 61,572 | \$ 18,158 | \$ 62,767 | \$ 47,500 |

A comparison was made between what was budgeted in each of the years in relation to the actual operating revenues and expenditures. The table above reflects the difference between the budget and the actuals. Note: a positive number reflects a net underspending.

- While a five year trend analysis has been included, the primary focus was on the last three years to provide an understanding of areas where opportunities may exist to reduce the net levy based on the budget to actual variance analysis. The following summarizes the findings:
 - On a consolidated basis, Protection Services experienced a positive variance of 3.6% annually over the past three years. This is equal to \$47,500 annually.
 - As shown above, the positive variance is primarily in By-law Enforcement.

Protection Services – Variance Analysis

The following summarizes the findings for the last three years:

- **Fire** - There has been a small positive variance in the Fire analysis (1.0%) annually (\$9,000).
 - Based on the line-by-line analysis, no opportunities to lower the levy were identified.
- **By-law Enforcement** - There has been a positive variance of 12% annually of underspending in relation to the budget (\$33,000).
 - Salaries, wages and benefits have been underspent by \$16,000, annually, on average due to vacancies. A budget review is recommended to ensure that the base budget is accurate.
 - Fine revenues have exceeded the budget, on average, by \$5,900 annually. A budget review is recommended with the potential opportunity to increase revenues and reduce the net levy.
- **Crossing Guard** - There has been a positive variance of 10% annually of underspending in relation to the budget (\$3,100) which is related to contracted services. A budget review is recommended to ensure that the base budget is accurate.

Protection Services
Potential opportunities for levy reduction
Range \$0 - \$25,000

Protection Services – Summary by Operating Object of Expenditure

| Protection Services Operating | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 804,700 | \$ 811,700 | \$ 854,980 | \$ 874,670 | \$ 902,030 | \$ 920,080 | 56.3% | \$ 115,380 | 2.7% |
| Materials & Supplies | \$ 52,600 | \$ 50,050 | \$ 54,950 | \$ 50,290 | \$ 53,700 | \$ 45,600 | 2.8% | \$ (7,000) | -2.8% |
| Repair & Maintenance | \$ 72,500 | \$ 74,100 | \$ 72,300 | \$ 86,450 | \$ 100,800 | \$ 101,100 | 6.2% | \$ 28,600 | 6.9% |
| Fire Hydrant Charge | \$ 26,000 | \$ 27,000 | \$ 33,400 | \$ 39,310 | \$ 41,790 | \$ 42,000 | 2.6% | \$ 16,000 | 10.1% |
| Debt Charges | \$ - | \$ - | \$ - | \$ 233,060 | \$ 232,940 | \$ 233,120 | 14.3% | \$ 233,120 | 0.0% |
| Misc Expenses | \$ 185,880 | \$ 218,790 | \$ 203,580 | \$ 219,740 | \$ 216,390 | \$ 291,650 | 17.9% | \$ 105,770 | 9.4% |
| Total Operating Expenses | \$ 1,141,680 | \$ 1,181,640 | \$ 1,219,210 | \$ 1,503,520 | \$ 1,547,650 | \$ 1,633,550 | 100.0% | \$ 491,870 | 7.4% |
| Total Operating Revenues | \$ 176,900 | \$ 150,400 | \$ 95,700 | \$ 55,500 | \$ 58,500 | \$ 142,350 | | \$ (34,550) | -4.3% |
| Total Net Operating Levy | \$ 964,780 | \$ 1,031,240 | \$ 1,123,510 | \$ 1,448,020 | \$ 1,489,150 | \$ 1,491,200 | | \$ 526,420 | 9.1% |

- 56% of the Operating Expenditures are related to Salaries, Wages & Benefits, which have increased, on average 2.7% annually.
- The increase in the Operating Budget is driven primarily by the introduction of debt charges for the new Fire Station in 2018.

Protection Services – Variance Analysis

| Protection Services | Budget to Actuals Variances | | | | | 3 Year Average |
|---------------------------------|-----------------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Operating | | | | | | |
| Salaries, Wages & Benefits | \$ 15,089 | \$ (9,318) | \$ 26,821 | \$ 7,353 | \$ 23,916 | \$ 19,400 |
| Materials & Supplies | \$ 10,414 | \$ 4,177 | \$ 13,588 | \$ (704) | \$ 7,642 | \$ 6,800 |
| Repair & Maintenance | \$ 3,559 | \$ 1,779 | \$ (3,307) | \$ (12,982) | \$ 3,456 | \$ (4,300) |
| Fire Hydrant Charge | \$ 2 | \$ 340 | \$ 328 | \$ (2) | \$ 580 | \$ 300 |
| Debt Charges | | | \$ (8,919) | \$ 219 | \$ 233 | \$ (2,800) |
| Misc Expenses | \$ 17,187 | \$ 32,719 | \$ 15,052 | \$ 22,392 | \$ 13,248 | \$ 16,900 |
| Total Operating Expenses | \$ 46,251 | \$ 29,697 | \$ 43,563 | \$ 16,276 | \$ 49,075 | \$ 36,300 |
| Total Operating Revenues | \$ 560 | \$ (29,085) | \$ (18,008) | \$ (1,882) | \$ (13,692) | \$ (11,200) |
| Total Net Operating Levy | \$ 45,690 | \$ 58,783 | \$ 61,572 | \$ 18,158 | \$ 62,767 | \$ 47,500 |

- Note: a positive number reflects a net underspending on expenditures and a negative variance in revenues reflects higher than anticipated revenues.
- As discussed previously, there appear to be opportunities to reduce the Net Operating Levy in this Service Category in the areas of salaries, wages and benefits and fine revenues.



***Detailed Analysis
Protection Services***



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line Fire



Fire – Background Information

Services and Portfolio

The Fire Department's key responsibilities include:

- Responds for structural and vehicle fire suppression, brush and wild land fires, marine fire/rescue, motor vehicle accidents and hazardous materials (awareness level) incidents.
- Provides assistance to Police, Emergency Medical Services and Ministry of Natural Resources and Forestry, when requested.
- Fire investigations, fire inspections, fire code enforcement and public education.
- The Department's coverage area is approximately 617 square kilometers, serving a population of approximately 16,000 permanent, plus seasonal, residents.

Fire – Net Operating Levy

| Fire Operating | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015 2020 |
|---------------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|--------------------|------------------------|---------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 544,200 | \$ 548,000 | \$ 578,370 | \$ 589,020 | \$ 606,460 | \$ 623,610 | 49.8% | \$ 79,410 | 2.8% |
| Materials & Supplies | \$ 43,000 | \$ 41,150 | \$ 40,600 | \$ 42,540 | \$ 47,950 | \$ 39,250 | 3.1% | \$ (3,750) | -1.8% |
| Repair & Maintenance | \$ 67,500 | \$ 67,500 | \$ 67,500 | \$ 82,750 | \$ 98,000 | \$ 98,500 | 7.9% | \$ 31,000 | 7.9% |
| Fire Hydrant Charge | \$ 26,000 | \$ 27,000 | \$ 33,400 | \$ 39,310 | \$ 41,790 | \$ 42,000 | 3.4% | \$ 16,000 | 10.1% |
| Debt Charges | \$ - | \$ - | \$ - | \$ 233,060 | \$ 232,940 | \$ 233,120 | 18.6% | \$ 233,120 | 0.0% |
| Misc Expenses | \$ 100,250 | \$ 132,050 | \$ 123,080 | \$ 141,900 | \$ 138,070 | \$ 215,620 | 17.2% | \$ 115,370 | 16.6% |
| Total Operating Expenses | \$ 780,950 | \$ 815,700 | \$ 842,950 | \$ 1,128,580 | \$ 1,165,210 | \$ 1,252,100 | 100.0% | \$ 471,150 | 9.9% |
| Total Operating Revenues | \$ 40,000 | \$ 12,000 | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 95,000 | | \$ 55,000 | 18.9% |
| Total Net Operating Levy | \$ 740,950 | \$ 803,700 | \$ 827,950 | \$ 1,113,580 | \$ 1,150,210 | \$ 1,157,100 | | \$ 416,150 | 9.3% |
| % Change | | 8% | 3% | 34% | 3% | 1% | | | |

- Over past five years, the Net Operating Levy increased, on average 9.3% annually.
- Staffing costs include all salaries, wages and benefits for full-time, part-time and volunteers. This is the largest item of expenditure and represents 50% of the Fire Operating Budget.
- Dispatching services are provided through a contracted service by the Muskoka Central Ambulance. The cost of this service has remained the same since 2015 and is a cost efficient approach to service delivery.
- Hydrant charges have increased, on average, annually by 10% over the past five years and is an area worth pursuing in terms of opportunities as these costs are typically included in the water rates (\$42,000 in 2020).
- Over the past five years, the increase in Miscellaneous Expenses in 2020 is a result of a one-time study with an offsetting funding from reserves.

Fire – Variance Analysis

| Fire Operating | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------------|-----------------------------|--------------------|-------------------|--------------------|-------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Salaries, Wages & Benefits | \$ 9,251 | \$ 8,089 | \$ 7,686 | \$ (6,978) | \$ 451 | \$ 400 |
| Materials & Supplies | \$ 9,480 | \$ 4,258 | \$ 6,787 | \$ (3,615) | \$ 8,755 | \$ 4,000 |
| Repair & Maintenance | \$ 5,538 | \$ (1,262) | \$ 3,104 | \$ (15,411) | \$ 1,373 | \$ (3,600) |
| Fire Hydrant Charge | \$ 2 | \$ 340 | \$ 328 | \$ (2) | \$ 580 | \$ 300 |
| Debt Charges | | | \$ (8,919) | \$ 219 | \$ 233 | \$ (2,800) |
| Misc Expenses | \$ 8,257 | \$ 32,113 | \$ 5,387 | \$ 16,058 | \$ 7,432 | \$ 9,600 |
| Total Operating Expenses | \$ 32,528 | \$ 43,538 | \$ 14,372 | \$ (9,728) | \$ 18,824 | \$ 7,800 |
| Total Operating Revenues | \$ 4,524 | \$ (29,894) | \$ (6,258) | \$ 5,658 | \$ (2,922) | \$ (1,200) |
| Total Net Operating Levy | \$ 28,004 | \$ 73,433 | \$ 20,630 | \$ (15,387) | \$ 21,745 | \$ 9,000 |

Note: a positive number reflects a net underspending in relation to the budget.

No opportunities to reduce the budget were identified in this area.

Fire – Key Findings and Observations

- Despite growth in population, staffing has remained the same for past 5 years, with three full time positions and two part-time administrative positions.
- There are no immediate plans for changes to staffing levels.
- The target volunteer force is 40 to 45. Currently, the Town has approximately 47 Volunteers.
- Recruitment and retention is an ongoing challenge with many volunteer departments, including Bracebridge. Recruitment efforts are undertaken once a year and requires 100-140 hours of theory training and 50-60 hands on training.
- Future plans will consider the addition of one more full time position dedicated to firefighter training and would add to day-time response capabilities – Fire Master Plan is pending.

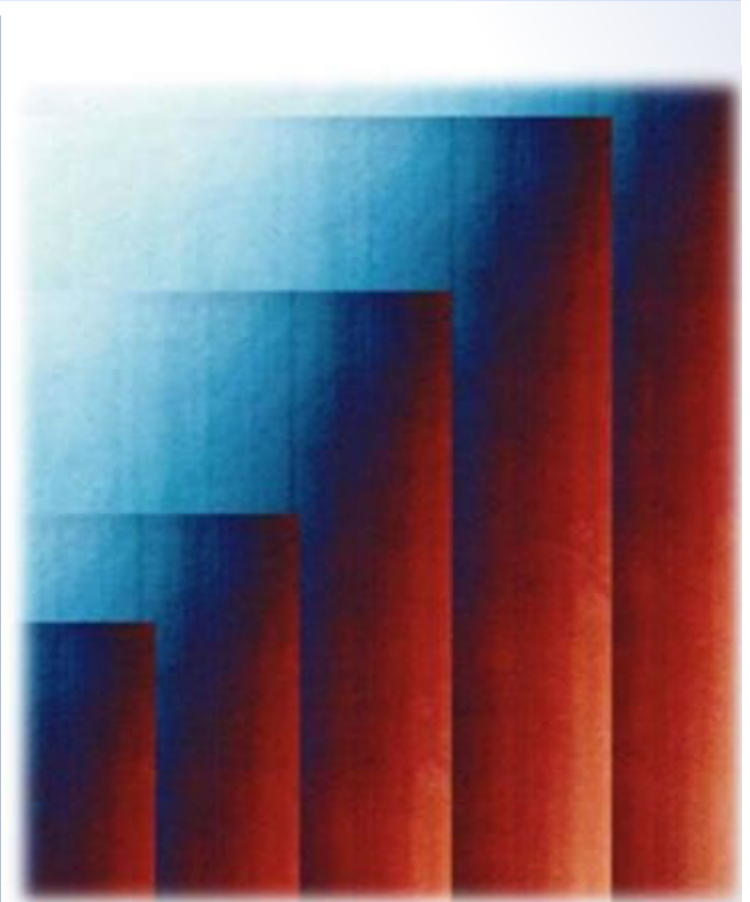


***Benchmarking
Fire***

Municipal Comparative Data

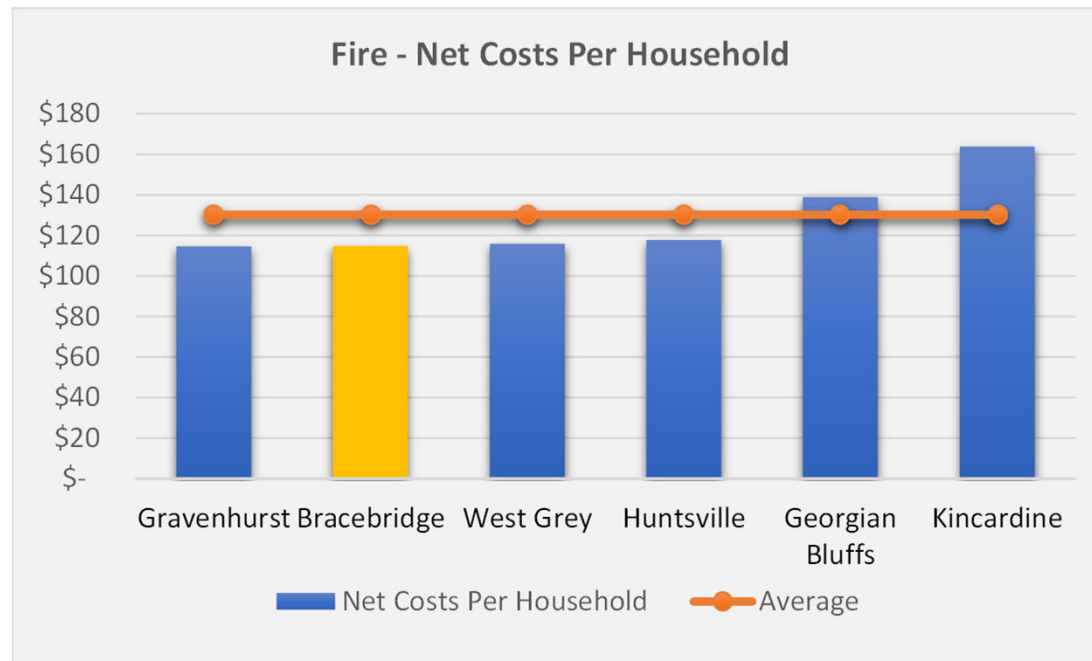
Each municipality's results are influenced to varying degrees by a number of factors, including:

- The nature and extent of fire risks: The type of building construction, i.e. apartment dwellings vs. single family homes vs. institutions such as hospitals;
- Geography: Topography, urban/rural mix, road congestion and fire station locations and travel distances from those stations;
- Fire prevention and education efforts: Enforcement of the fire code, and the presence of working smoke alarms;
- Collective agreements: Differences in what stage of multi-year agreements municipalities are at and also differences in agreements about how many staff are required on a fire vehicle; and
- Staffing model: Full-time firefighters, composite, volunteers (full-time and part-time).



Note: as a result of the differences noted above, the comparator group has been refined to include only those municipalities with similar portfolios.

Fire - Comparison of Cost of Service – 2018 FIR



- On a per household basis, which take into consideration cottagers, the cost in Bracebridge is amongst the lowest. This takes into consideration debt interest which began in 2018 in Bracebridge.



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line

Emergency Planning, By-law

Enforcement & Traffic

Control



Emergency Planning – Operating Net Levy

| Operating Emergency Planning | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Materials & Supplies | \$ 3,000 | \$ 3,000 | \$ 2,750 | \$ 1,250 | \$ 1,750 | \$ 1,750 | 9.6% | \$ (1,250) | -10.2% |
| Misc Expenses | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 1,500 | \$ 500 | \$ 500 | 2.7% | \$ (2,500) | -30.1% |
| Transfer To/From Reserve | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | 87.7% | \$ - | 0.0% |
| Total Operating Expenses | \$ 22,000 | \$ 22,000 | \$ 21,750 | \$ 18,750 | \$ 18,250 | \$ 18,250 | 100.0% | \$ (3,750) | -3.7% |
| Total Operating Revenues | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - | |
| Total Net Operating Levy | \$ 22,000 | \$ 22,000 | \$ 21,750 | \$ 18,750 | \$ 18,250 | \$ 18,250 | | \$ (3,750) | -3.7% |

- The Emergency Planning budget includes annual costs related to the maintenance of the Town's Emergency Plan and related infrastructure.
- On average, this budget has declined by 3.7% annually. This is related to an elimination of the Emergency Generator expense and a reduction in Communications expense.
- Transfer to the reserve has been held constant to reflect approximately \$1 per person of permanent population, as recommended by Emergency Management Ontario. It is recommended that the reserve be gradually built to a level adequate to fund the Town's portion of the Province's Municipal Disaster Recovery Assistance Program.

By-law Enforcement - Net Operating Levy

| Operating By-law Enforcement | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015-2020 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------------|---------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 232,300 | \$ 235,400 | \$ 247,940 | \$ 254,500 | \$ 264,380 | \$ 264,900 | 80.0% | \$ 32,600 | 2.7% |
| Contracted Services | \$ 24,200 | \$ 24,200 | \$ 24,000 | \$ 24,000 | \$ 24,700 | \$ 24,700 | 7.5% | \$ 500 | 0.4% |
| Materials & Supplies | \$ 6,600 | \$ 5,900 | \$ 11,600 | \$ 6,500 | \$ 4,000 | \$ 4,600 | 1.4% | \$ (2,000) | -7.0% |
| I.T Support | \$ 9,200 | \$ 9,300 | \$ 9,900 | \$ 10,460 | \$ 10,970 | \$ 11,030 | 3.3% | \$ 1,830 | 3.7% |
| Legal | \$ 5,000 | \$ 7,000 | \$ 8,000 | \$ 7,000 | \$ 7,000 | \$ 6,000 | 1.8% | \$ 1,000 | 3.7% |
| Vehicle Fuel | \$ 5,500 | \$ 4,000 | \$ 3,500 | \$ 3,500 | \$ 3,500 | \$ 3,500 | 1.1% | \$ (2,000) | -8.6% |
| Misc Expenses | \$ 27,230 | \$ 29,540 | \$ 20,300 | \$ 18,480 | \$ 17,950 | \$ 16,400 | 5.0% | \$ (10,830) | -9.6% |
| Total Operating Expenses | \$ 310,030 | \$ 315,340 | \$ 325,240 | \$ 324,440 | \$ 332,500 | \$ 331,130 | 100.0% | \$ 21,100 | 1.3% |
| Parking Meters | \$ 96,000 | \$ 96,000 | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ (96,000) | -100.0% |
| Parking Tickets | \$ 21,000 | \$ 24,000 | \$ 19,000 | \$ 21,000 | \$ 24,000 | \$ 26,500 | 56.0% | \$ 5,500 | 4.8% |
| Transfer To/From Reserve | \$ - | \$ - | \$ 45,600 | \$ - | \$ - | \$ - | 0.0% | \$ - | |
| POA | \$ 8,800 | \$ 7,500 | \$ 5,000 | \$ 9,000 | \$ 8,500 | \$ 10,500 | 22.2% | \$ 1,700 | 3.6% |
| Misc Revenues | \$ 11,100 | \$ 10,900 | \$ 11,100 | \$ 10,500 | \$ 11,000 | \$ 10,350 | 21.9% | \$ (750) | -1.4% |
| Total Operating Revenues | \$ 136,900 | \$ 138,400 | \$ 80,700 | \$ 40,500 | \$ 43,500 | \$ 47,350 | 100.0% | \$ (89,550) | -19.1% |
| Total Net Operating Levy | \$ 173,130 | \$ 176,940 | \$ 244,540 | \$ 283,940 | \$ 289,000 | \$ 283,780 | | \$ 110,650 | 10.4% |

- By-law enforcement is responsible for the public education, promotion and enforcement of over 40 regulatory Town by-laws covering a wide variety of issues, including on and off-street parking, dog control, business and lottery licensing, noise, open air burning, public docks, vehicle idling and clean yards.
- There was a significant increase in the Net Operating Levy in 2017 primarily as a result of the elimination of parking meter revenues.
- Expenditure reductions have been experienced in a number of areas including Materials & Supplies and Vehicle Fuel.
- Contracted services for the animal control have increased at a rate lower than inflation.

By-law Enforcement – Variance Analysis

| Operating By-law Enforcement | Budget to Actuals Variances | | | | | 3 Year Average |
|---------------------------------|-----------------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Salaries, Wages & Benefits | \$ 4,220 | \$ (17,851) | \$ 17,534 | \$ 10,766 | \$ 19,769 | \$ 16,000 |
| Contracted Services | \$ 1,242 | \$ 749 | \$ 466 | \$ 566 | \$ 77 | \$ 400 |
| Materials & Supplies | \$ 2,376 | \$ (563) | \$ 4,217 | \$ 2,802 | \$ (1,407) | \$ 1,900 |
| I.T Support | \$ 47 | \$ 61 | \$ (683) | \$ (98) | \$ 54 | \$ (200) |
| Legal | \$ (2,005) | \$ (1,759) | \$ 3,118 | \$ 1,347 | \$ 2,467 | \$ 2,300 |
| Vehicle Fuel | \$ 2,177 | \$ 675 | \$ 713 | \$ 192 | \$ 597 | \$ 500 |
| Misc Expenses | \$ 2,241 | \$ 6,626 | \$ (3,280) | \$ 5,344 | \$ 4,322 | \$ 2,100 |
| Total Operating Expenses | \$ 10,299 | \$ (12,061) | \$ 22,085 | \$ 20,919 | \$ 25,878 | \$ 23,000 |
| Parking Meters | \$ (714) | \$ 53,587 | \$ (2,042) | | | \$ (2,000) |
| Parking Tickets | \$ (5,520) | \$ (9,742) | \$ (3,410) | \$ (5,673) | \$ (8,504) | \$ (5,900) |
| Transfer To/From Reserve | | \$ (40,000) | \$ - | | | \$ - |
| POA | \$ 2,953 | \$ (2,763) | \$ (6,372) | \$ (503) | \$ (3,703) | \$ (3,500) |
| Misc Revenues | \$ (683) | \$ (273) | \$ 74 | \$ (1,365) | \$ 1,437 | \$ - |
| Total Operating Revenues | \$ (3,964) | \$ 809 | \$ (11,750) | \$ (7,541) | \$ (10,770) | \$ (10,000) |
| Total Net Operating Levy | \$ 14,263 | \$ (12,870) | \$ 33,835 | \$ 28,459 | \$ 36,648 | \$ 33,000 |

Note: a positive number reflects a net underspending in expenditures. A negative revenue reflects where revenues have exceeded budget.

Over the past three years:

- Salaries, wages and benefits have been underspent by \$16,000, annually, on average due to vacancies. A budget review is recommended to ensure that the base budget is accurate.
- Parking tickets have exceeded the budget, on average, by \$5,900 annually. A budget review is recommended with the potential opportunity to increase revenues and reduce the net levy.

Crossing Guards – Net Levy and Variance Analysis

| Operating Crossing Guards | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015-2020 |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|------------------------|---------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 28,200 | \$ 28,300 | \$ 28,670 | \$ 31,150 | \$ 31,190 | \$ 31,570 | 98.4% | \$ 3,370 | 2.3% |
| Misc Expenses | \$ 500 | \$ 300 | \$ 600 | \$ 600 | \$ 500 | \$ 500 | 1.6% | \$ - | 0.0% |
| Total Operating Expenses | \$ 28,700 | \$ 28,600 | \$ 29,270 | \$ 31,750 | \$ 31,690 | \$ 32,070 | 100.0% | \$ 3,370 | 2.2% |
| Total Operating Revenues | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - | |
| Total Net Operating Levy | \$ 28,700 | \$ 28,600 | \$ 29,270 | \$ 31,750 | \$ 31,690 | \$ 32,070 | | \$ 3,370 | 2.2% |

- Crossing Guard expenses have increased, on average by 2.2% annually.

| Crossing Guards | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------------|-----------------------------|---------------|-----------------|-----------------|-----------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Operating | | | | | | |
| Contracted Services | \$ 1,618 | \$ 444 | \$ 1,601 | \$ 3,565 | \$ 3,696 | \$ 3,000 |
| Misc Expenses | \$ 400 | \$ (102) | \$ (79) | \$ 237 | \$ 226 | \$ 100 |
| Total Operating Expenses | \$ 2,018 | \$ 341 | \$ 1,522 | \$ 3,802 | \$ 3,922 | \$ 3,100 |
| Total Operating Revenues | | | | | | |
| Total Net Operating Levy | \$ 2,018 | \$ 341 | \$ 1,522 | \$ 3,802 | \$ 3,922 | \$ 3,100 |

- Note: a positive number reflects a net underspending in expenditures. There has been a positive variance of 10% annually of underspending in relation to the budget (\$3,100) which is related to contracted services. A budget review is recommended to ensure that the base budget is accurate.



BRACEBRIDGE
The Heart of Muskoka

Transportation Services



Transportation Services – Summary by Business Unit

| Operating Transportation Services | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015-2020 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------|---------------------|---------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Streetlighting | \$ 287,300 | \$ 211,400 | \$ 208,800 | \$ 205,250 | \$ 186,460 | \$ 204,500 | 5.0% | \$ (82,800) | -6.6% |
| Transit | \$ - | \$ 54,250 | \$ 65,160 | \$ 102,490 | \$ 210,560 | \$ 194,800 | 4.7% | \$ 194,800 | N/A |
| Public Works | \$ 3,165,270 | \$ 3,401,920 | \$ 3,473,620 | \$ 3,564,840 | \$ 3,628,020 | \$ 3,731,710 | 90.3% | \$ 566,440 | 3.3% |
| Total Net Operating | \$ 3,452,570 | \$ 3,667,570 | \$ 3,747,580 | \$ 3,872,580 | \$ 4,025,040 | \$ 4,131,010 | 100.0% | \$ 678,440 | 3.7% |
| Streetlighting | \$ 50,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | 4.4% | \$ 50,000 | 14.9% |
| Public Works & Transit | \$ 1,169,000 | \$ 1,405,900 | \$ 1,713,650 | \$ 2,102,060 | \$ 2,007,250 | \$ 2,182,850 | 95.6% | \$ 1,013,850 | 13.3% |
| Total Net Capital Levy | \$ 1,219,000 | \$ 1,505,900 | \$ 1,813,650 | \$ 2,202,060 | \$ 2,107,250 | \$ 2,282,850 | 100.0% | \$ 1,063,850 | 13.4% |
| Net Operating and Capital Levy | \$ 4,671,570 | \$ 5,173,470 | \$ 5,561,230 | \$ 6,074,640 | \$ 6,132,290 | \$ 6,413,860 | | \$ 1,742,290 | 6.5% |

- Transportation Services includes Public Works, Transit and Streetlighting.
- 90.3% of the Operating Budget is related to Public Works which has increased, on average, 3.3% annually.
- The Capital Levy has increased considerably from 2015-2020, an average annual increase of 13.4% to address the roads infrastructure gap.
- The average annual net levy increase was 6.5% (Capital and Operating) from 2015-2020.

Transportation Services – Variance Analysis

| Operating Transportation Services | Budget to Actuals Variances | | | | | 3 Year Average |
|-----------------------------------|-----------------------------|-------------------|-------------------|-------------------|---------------------|------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Streetlighting | \$ 2,089 | \$ 24,771 | \$ 12,605 | \$ 35,369 | \$ 2,403 | \$ 16,800 |
| Transit | \$ - | \$ 101,745 | \$ 76,022 | \$ (50,806) | \$ 68,348 | \$ 31,200 |
| Public Works | \$ 93,513 | \$ (130,274) | \$ 45,174 | \$ 135,325 | \$ (178,873) | \$ 500 |
| Total Net Operating | \$ 95,602 | \$ (3,759) | \$ 133,801 | \$ 119,887 | \$ (108,123) | \$ 48,500 |

- Note: a positive expenditure number reflects a net underspending and a negative revenue number reflects greater than expected revenues.
- While a five year trend analysis has been included, the primary focus was on the last three years to provide an understanding of areas where opportunities may exist to reduce the net levy based on the budget to actual variance analysis. The following summarizes the findings:
 - On a consolidated basis Transportation has experienced a relatively small positive variance of 1.3% annually over the past three years. This is equal to \$48,500 annually. However, this is skewed by the over expenditures in 2019 as a result of the flood.
 - **Streetlighting** - While the budget has been declining for utilities, there continues to be an underspending in this area. The 2020 Operating Budget for utilities was reduced by approximately \$16,000. There appears to be additional opportunities to reset the utilities expense in future budgets in the range of \$20,000-\$40,000.

Transportation Services– Variance Analysis

- **Transit** - Actual Transit User Fee revenues have been consistently higher than budget. While modifications were made to the 2020 budget to recognize revenue increases, based on the increase in ridership in 2019, there appears to be opportunities to increase the future revenue budget. This is estimated to reduce the levy by approximately \$5,000-\$8,000.
- **Public Works** – Based on our analysis of the budgeting in relation to the actual expenditures and revenues which are loaded into the GL, there appears to be a misalignment of methodologies resulting in difficulties in undertaking analysis. Some of the issues may be a result of job costing and internal recoveries which makes a line-by-line review of this area very challenging. There appears to be a need to consolidate and align how the expenditures are recorded with the budget in order to identify opportunities to reduce overall costs. The budget to actuals in Public Works reflects a small variance.

Transportation Services
Potential opportunities for levy reduction
Range \$0 - \$48,000

Transportation Services – Key Findings and Observations

The following leading practices were identified within Transportation Services:

- Balancing the use of internal versus contracted services is a challenge in Public Works and is not unique to the Town. This is monitored on an annual basis and also by activity and priorities to ensure the efficient and effective delivery of service.
- With the proactive capital asset renewal program, the road network has improved which has helped reduce repair needs overall.
- Opportunities for efficiencies were created by moving Parks and Trails from Recreation to Public Works
- The Town is implementing a new practice of incorporating the Master Plan findings in the development of the budget.

Transportation Services – Key Findings and Observations

Additional leading practices were also identified in Winter Maintenance including the following:

- Good mix of contracts and in-house resources (contract parking lots and sidewalk summer maintenance to provide appropriate level of service) to ensure all priorities are met regarding snow clearing;
- Route optimization study is completed on a regular basis to address growth;
- The Town continues to evaluate new products and technologies;
- Opportunities have been identified to leverage contracts and equipment. Currently, there are insufficient staff to fully utilize equipment. A capacity review is being considered as equipment is not being fully utilized; and
- Opportunities to purchase salt as joint tender with local municipalities and District have been pursued.

Fleet Operations findings include the following:

- The contracted service for fleet provides flexibility to modify hours and costs based on workloads. It is recommended that a formal contract with the vendor should be established for this service.
- A fleet maintenance management system (FMM) is in the process of being implemented.

Transportation Services – Key Findings and Observations

Challenges in Transportation Services includes the following:

- As the Town continues to grow, there is increased demand for parks, roads, trails, accessible transit, transit and other programs and services;
- Climate change has increased cost of service and service requirements for a number of programs (e.g. flooding, ditching and culvert maintenance);
- The Town has an aging infrastructure and an identified infrastructure gap that must be addressed to maintain assets in a state of good repair;
- There is a need for increased flexibility in the maintenance budgets to move expenditures to the areas of highest need and be responsive to events and weather conditions; and
- The Town is moving toward a comprehensive approach to urban forest management which places pressures on the Operating Budget (e.g. urban forest, ash borer, funguses).

Transportation Services – Key Findings and Observations

Opportunities include the following:

- Stormwater Management - Resources and efforts in storm water management are needed for ponds and urban maintenance. An accurate assessment of the needs is required. The Town is in the early stages of trying to understand the condition of stormwater management and developing proactive plans for repairs rather than the existing reactive approach. While the roads and ponds are relatively new, there is a need for substantial future maintenance costs which will require setting aside funds for the future;
- A stormwater utility is recommended, consistent with the practice in many municipalities to provide an ongoing source of dedicated funding, similar to water and wastewater operations at the District;
- There is the potential to undertake joint vehicle tendering with other local municipalities and District;
- Review the provision of parks and trails and winter maintenance to determine the best way to administer the programs by optimizing the staff that could migrate between winter and summer activities. This would also provide an opportunity to better leverage the usage of Town equipment; and
- Consider opportunities for facilities maintenance across the corporation to ensure that these are provided in the most cost efficient and effective manner as these services are currently decentralized.

New Initiatives

The Transportation Services Department has a number of new initiatives underway including:

- Review and update municipal engineering standards;
- A comprehensive Long Term Mitigation Program is planned to capture the past successes and future needs for the community for Invasive Species Mitigation;
- Completion of the Municipal Class Environmental Assessment, engineering design and construction of road extension to service the new Multi-Use Community Centre;
- Development of a Traffic Calming Policy and Plan for the Town to review and process concerns related to traffic calming measures and potential calming installations;
- Development of a Long-Term Transit Plan to provide strategic future direction for transit planning and operations;
- Review and update the existing bylaw to provide clarity and direction for future Site Alteration requests;
- Development of a Facility Long-Term Plan to provide strategic direction for Public Works facilities repairs and betterments for future years; and
- Operation Management System (OMS) implementation for Public Works in coordination with the District of Muskoka Information Technology Department.



***Detailed Analysis
Transportation Services***



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line Streetlighting



Streetlighting– Background Information

Services and Portfolio

- The Town has an inventory of approximately 1,400 streetlights, including both metered and non-metered units. Lakeland Energy is the primary provider of electricity and maintenance services for the Town’s streetlight inventory.
- In 2015, the Town undertook a streetlight replacement program to convert its High Pressure Sodium, nondecorative inventory to light-emitting diode (LED) technology with funding from the Ontario Power Authority’s “saveONenergy Retrofit Program”. As a result, 933 streetlights were converted, which significantly reduced the Town’s energy consumption. Since the conversion, the Town has seen savings of approximately \$100,000 annually.
- The Town’s decorative streetlighting inventory was not included as part of the 2015 LED conversion program. A further application was made to the “SaveONenergy Retrofit Program” by Lakeland Energy, on behalf of the Town of Bracebridge, for the replacement of decorative luminaire fixtures with energy efficient, LED lighting. Lakeland Energy completed the installation of fixtures in early 2018, resulting in further electricity consumption reductions.

Streetlighting – Net Operating Levy

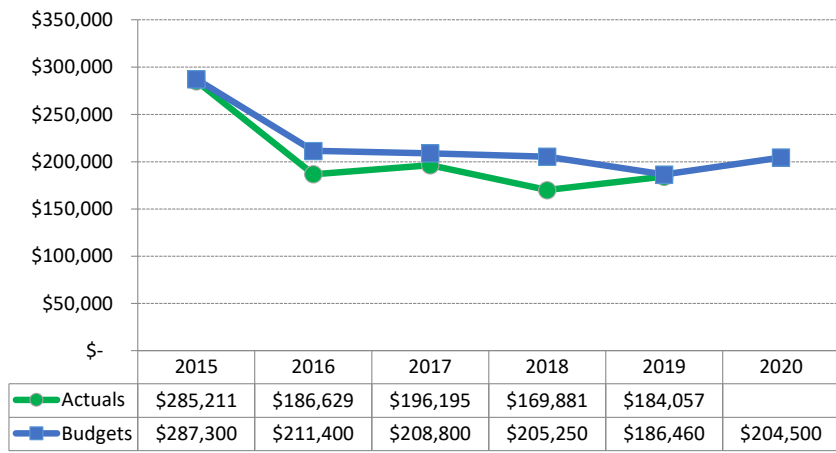
| Operating Street Lighting | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015-2020 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------------|---------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Materials & Supplies | \$ 1,300 | \$ 1,300 | \$ 1,300 | \$ 750 | \$ 750 | \$ 750 | 0.4% | \$ (550) | -10.4% |
| Repair & Maintenance | \$ 51,000 | \$ 25,000 | \$ 25,000 | \$ 22,000 | \$ 22,000 | \$ 45,000 | 22.0% | \$ (6,000) | -2.5% |
| Utilities | \$ 235,000 | \$ 185,100 | \$ 182,500 | \$ 182,500 | \$ 163,710 | \$ 147,750 | 72.2% | \$ (87,250) | -8.9% |
| Misc Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 11,000 | 5.4% | \$ 11,000 | 0.0% |
| Total Operating Expenses | \$287,300 | \$211,400 | \$208,800 | \$205,250 | \$186,460 | \$204,500 | 100.0% | \$ (82,800) | -6.6% |
| Total Operating Revenues | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - | |
| Total Net Operating Levy | \$ 287,300 | \$ 211,400 | \$ 208,800 | \$ 205,250 | \$ 186,460 | \$ 204,500 | | \$ (82,800) | -6.6% |

- Streetlighting operating expenses have annually declined by, on average, 6.6% due to a proactive program to convert to LED technology.
- Utility expenses are 72% of the total operating expenses in 2020 and have decreased, on average, by 8.9% annually.
- In 2020, the expense for maintenance has increased by \$23,000 to accommodate ongoing repairs to older underground infrastructure in various areas of the community.

Streetlighting – Variance Analysis

| Operating Street Lighting | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------------|-----------------------------|------------------|------------------|------------------|-----------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Materials & Supplies | \$ 259 | \$ 1,300 | \$ 1,002 | \$ 459 | \$ 694 | \$ 700 |
| Repair & Maintenance | \$ 7,086 | \$ 2,045 | \$ 5,046 | \$ (2,857) | \$ (45,287) | \$ (14,400) |
| Utilities | \$ (5,255) | \$ 21,426 | \$ 6,557 | \$ 37,810 | \$ 56,065 | \$ 33,500 |
| Misc Expenses | | | | \$ (44) | \$ (9,068) | \$ (4,600) |
| Total Operating Expenses | \$ 2,089 | \$ 24,771 | \$ 12,605 | \$ 35,369 | \$ 2,403 | \$ 16,800 |
| Total Operating Revenues | | | | | | |
| Total Net Operating Levy | \$ 2,089 | \$ 24,771 | \$ 12,605 | \$ 35,369 | \$ 2,403 | \$ 16,800 |

Streetlighting - Net Operating Levy



- In each year, the actuals expenditures have been below the budget.
- Over the past three years, there has been an annual average underspending of \$17,000.
- While the budget has been declining for utilities. In 2019, there was a positive variance of approximately \$56,000. The 2020 Operating Budget was reduced by approximately \$16,000. There appears to be additional opportunities to reset the utilities expense in future budgets in the range of \$20,000-\$40,000.



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line Transit



Transit – Background Information

Services and Portfolio

Transit is responsible for:

- Conventional Transit and Specialized Transit - approximately 23,600 passenger trips in 2019, a 33% increase from 2018; and
- Specialty Transit ridership - 4,100 passenger trips in 2019, a 32% increase over 2018.

Transit – Net Operating Levy

| Transit Operating | Budget | | | | | | % of Total 2020 | \$ change 2015-2020 | % Annual Change 2016- |
|---------------------------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|---------------------|-----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ - | \$ 7,750 | \$ 21,700 | \$ 7,890 | \$ 8,000 | \$ 4,800 | 1.3% | \$ 4,800 | -11.3% |
| Contracted Services | \$ - | \$ 232,200 | \$ 275,000 | \$ 220,000 | \$ 319,500 | \$ 350,000 | 92.9% | \$ 350,000 | 10.8% |
| Materials & Supplies | \$ - | \$ 10,000 | \$ 15,000 | \$ 15,000 | \$ 10,000 | \$ 4,000 | 1.1% | \$ 4,000 | -20.5% |
| I.T Support | \$ - | \$ - | \$ - | \$ - | \$ 5,500 | \$ 5,500 | 1.5% | \$ 5,500 | 0.0% |
| Marketing | \$ - | \$ - | \$ - | \$ 10,000 | \$ 10,000 | \$ 10,000 | 2.7% | \$ 10,000 | 0.0% |
| Misc Expenses | \$ - | \$ - | \$ 1,000 | \$ 11,200 | \$ 6,000 | \$ 2,500 | 0.7% | \$ 2,500 | 0.0% |
| Total Operating Expenses | \$ - | \$ 249,950 | \$ 312,700 | \$ 264,090 | \$ 359,000 | \$ 376,800 | 100.0% | \$ 376,800 | 10.8% |
| Grants | \$ - | \$ - | \$ 130,540 | \$ 136,600 | \$ 109,440 | \$ 136,000 | 74.7% | \$ 136,000 | 0.0% |
| Transfer To/From Reserve | \$ - | \$ 195,700 | \$ 95,700 | \$ - | \$ - | \$ - | 0.0% | \$ - | -100.0% |
| Transit Revenue | \$ - | \$ - | \$ 21,300 | \$ 25,000 | \$ 39,000 | \$ 46,000 | 25.3% | \$ 46,000 | 0.0% |
| Total Operating Revenues | \$ - | \$ 195,700 | \$ 247,540 | \$ 161,600 | \$ 148,440 | \$ 182,000 | 100.0% | \$ 182,000 | -1.8% |
| Total Net Operating Levy | \$ - | \$ 54,250 | \$ 65,160 | \$ 102,490 | \$ 210,560 | \$ 194,800 | | \$ 194,800 | 37.7% |

- From 2016-2020, the average annual increase on operating expenditures was 10.8%.
- Transit is a contracted service and one that has continued to expand services.
- Transit User Fee revenues have increased from 2017-2020.

Transit – Variance Analysis

| Transit Operating | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------------|-----------------------------|-------------------|--------------------|--------------------|--------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Salaries, Wages & Benefits | \$ - | \$ 2,164 | \$ 17,900 | \$ 382 | \$ 5,807 | \$ 8,000 |
| Contracted Services | \$ - | \$ 145,847 | \$ 54,392 | \$ (59,967) | \$ 2,257 | \$ (1,100) |
| Materials & Supplies | \$ - | \$ (2,215) | \$ 4,703 | \$ 9,055 | \$ 5,864 | \$ 6,500 |
| Utilities | \$ - | \$ - | \$ - | \$ - | \$ 41 | \$ - |
| Insurance | \$ - | \$ - | \$ (11,281) | \$ 1,872 | \$ 5,207 | \$ (1,400) |
| Misc Expenses | \$ - | \$ (17,638) | \$ (1,383) | \$ 4,455 | \$ 4,565 | \$ 2,500 |
| Total Operating Expenses | \$ - | \$ 128,158 | \$ 64,330 | \$ (44,203) | \$ 23,740 | \$ 14,600 |
| Grants | \$ - | \$ (97,906) | \$ (4,545) | \$ 20,372 | \$ (30,290) | \$ (4,800) |
| Transfer To/From Reserve | \$ - | \$ 128,158 | \$ - | \$ - | \$ - | \$ - |
| Transit Revenue | \$ - | \$ (3,839) | \$ (6,426) | \$ (13,193) | \$ (14,318) | \$ (11,300) |
| Total Operating Revenues | \$ - | \$ 26,413 | \$ (11,692) | \$ 6,603 | \$ (44,608) | \$ (16,600) |
| Total Net Operating Levy | \$ - | \$ 101,745 | \$ 76,022 | \$ (50,806) | \$ 68,348 | \$ 31,200 |

- Note: a positive expenditure number reflects a net underspending and a negative revenue number reflects greater than expected revenues.
- Transit Revenues have been consistently higher than budget. While modifications were made to the 2020 budget to recognize user fee revenue increases, based on the increase in ridership in 2019, there appears to be opportunities to increase the future transit revenue budget (estimated \$5,000 - \$8,000).



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line Public Works



Public Works – Background Information

Services and Portfolio

Public Works is responsible for:

- Maintenance of 320 km of Town roads, 59 km of Town sidewalks and 100 km of District roads;
- Maintenance of Parks and Trails and various municipal facilities;
- Fleet management;
- Road deficiencies, potholes, tree maintenance, gravel shoulders and erosion repairs, flooding, drainage ditches, storm sewers, catch basins, gravel road grading, sidewalks, parking lots and winter control; and
- Engineering support for ongoing operations, the management and design of construction projects, and the review of subdivision and other development projects.

Public Works – Net Operating Levy and Variance Analysis

| Public Works Operating | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 1,327,870 | \$ 1,305,170 | \$ 1,313,300 | \$ 1,341,740 | \$ 1,548,820 | \$ 1,541,250 | 33.3% | \$ 213,380 | 3.0% |
| Contracts | \$ 1,123,150 | \$ 1,177,150 | \$ 1,288,150 | \$ 1,272,800 | \$ 1,176,900 | \$ 1,284,050 | 27.7% | \$ 160,900 | 2.7% |
| Hired Equipment | \$ 217,800 | \$ 227,300 | \$ 278,400 | \$ 348,600 | \$ 332,300 | \$ 332,200 | 7.2% | \$ 114,400 | 8.8% |
| Materials & Supplies | \$ 558,220 | \$ 564,200 | \$ 611,500 | \$ 607,500 | \$ 567,600 | \$ 547,500 | 11.8% | \$ (10,720) | -0.4% |
| Town Equipment | \$ 563,300 | \$ 590,600 | \$ 611,000 | \$ 601,200 | \$ 591,740 | \$ 647,500 | 14.0% | \$ 84,200 | 2.8% |
| Recovery Revenue | \$ (803,610) | \$ (765,540) | \$ (887,220) | \$ (877,990) | \$ (834,570) | \$ (866,460) | -18.7% | \$ (62,850) | 1.5% |
| Misc Expenses | \$ 996,250 | \$ 1,068,240 | \$ 1,074,380 | \$ 1,152,400 | \$ 1,091,790 | \$ 1,147,510 | 24.8% | \$ 151,260 | 2.9% |
| Total Operating Expenses | \$ 3,982,980 | \$ 4,167,120 | \$ 4,289,510 | \$ 4,446,250 | \$ 4,474,580 | \$ 4,633,550 | 100.0% | \$ 650,570 | 3.1% |
| Recovery Revenue | \$ 712,010 | \$ 719,500 | \$ 725,790 | \$ 735,810 | \$ 749,260 | \$ 770,140 | 85.4% | \$ 58,130 | 1.6% |
| Grants | \$ 700 | \$ 700 | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ (700) | -100.0% |
| Other Revenues | \$ 105,000 | \$ 45,000 | \$ 90,100 | \$ 145,600 | \$ 97,300 | \$ 131,700 | 14.6% | \$ 26,700 | 4.6% |
| Total Operating Revenues | \$ 817,710 | \$ 765,200 | \$ 815,890 | \$ 881,410 | \$ 846,560 | \$ 901,840 | 100.0% | \$ 84,130 | 2.0% |
| Total Net Operating Levy | \$ 3,165,270 | \$ 3,401,920 | \$ 3,473,620 | \$ 3,564,840 | \$ 3,628,020 | \$ 3,731,710 | | \$ 566,440 | 3.3% |

- From 2015-2020, the average annual increase on operating expenditures was 3.1%.

| Public Works Operating | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------|-----------------------------|--------------|-------------|-------------|--------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Total Operating Expenses | \$ 52,117 | \$ (205,693) | \$ (39,710) | \$ 93,875 | \$ (528,607) | \$ (158,100) |
| Total Operating Revenues | \$ (41,396) | \$ (75,419) | \$ (84,885) | \$ (41,450) | \$ (349,733) | \$ (158,700) |
| Total Net Operating Levy | \$ 93,513 | \$ (130,274) | \$ 45,174 | \$ 135,325 | \$ (178,873) | \$ 500 |

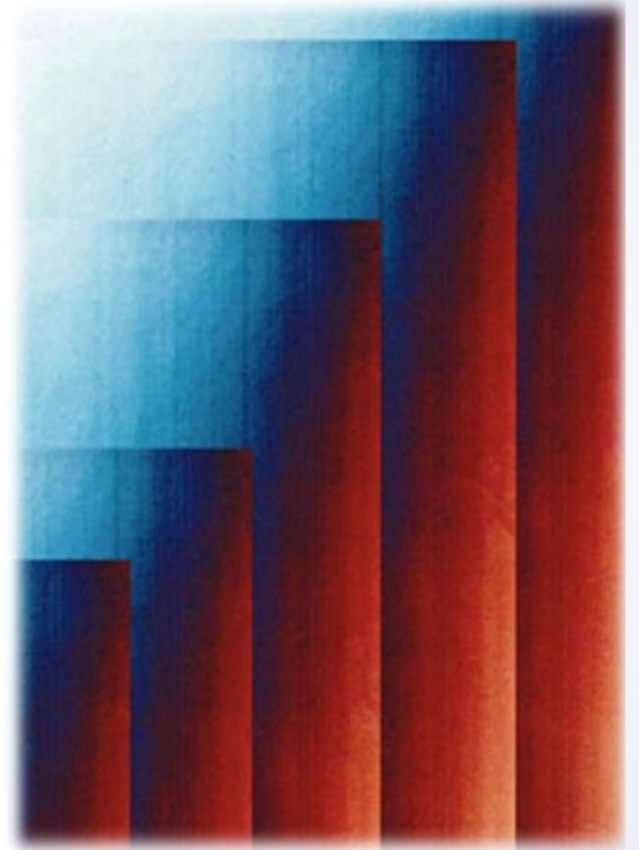


***Benchmarking
Transportation Services***

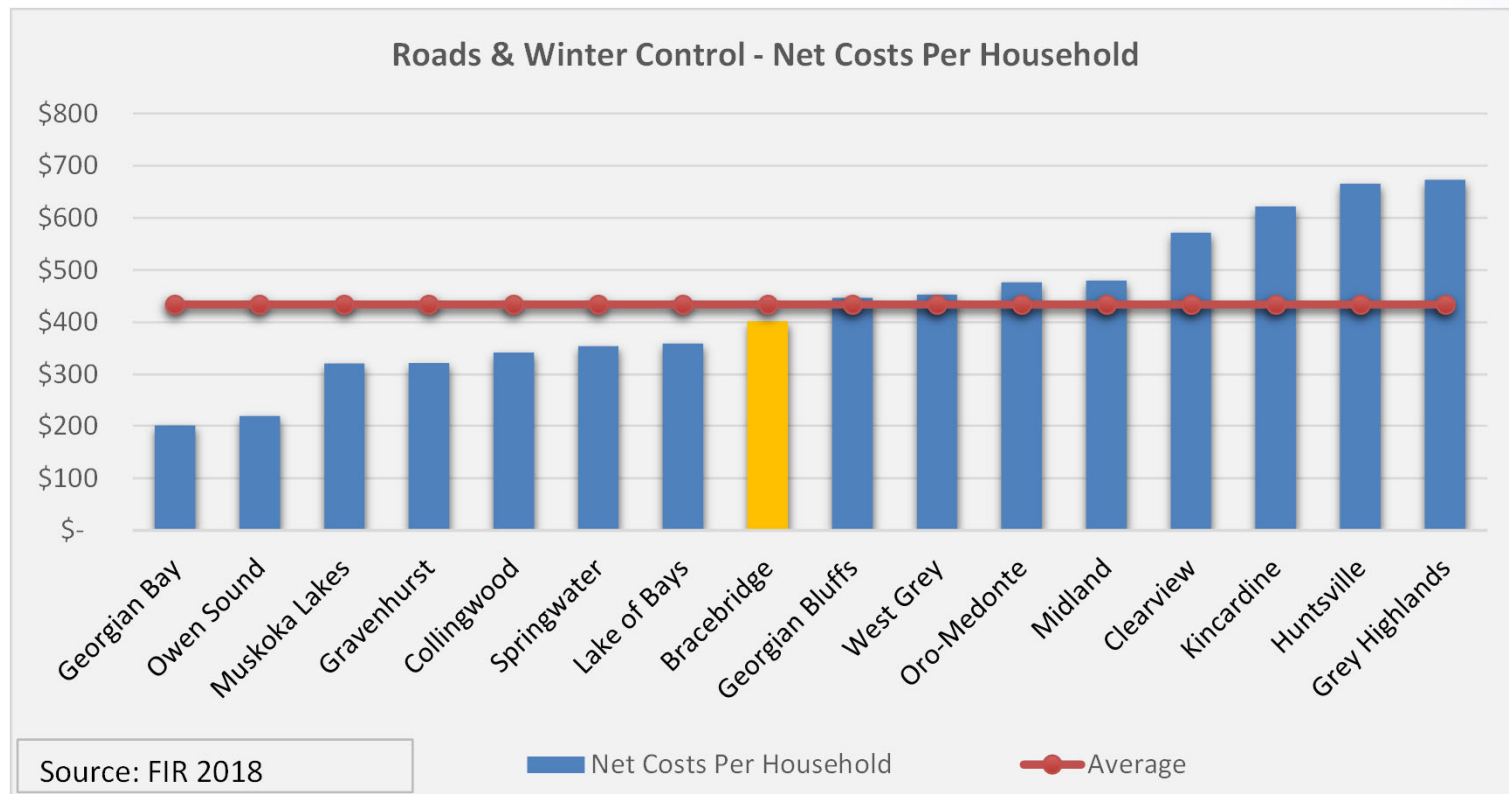
Municipal Comparative Data

Each municipality's roads results are influenced to varying degrees by a number of factors, including:

- Municipal snow clearing standards, weather conditions, road types and snowfall;
- Age and condition of the network;
- The proportion of heavy trucks in the traffic stream;
- The municipality's pavement standards;
- Population density which affects usage and congestion, contributing to road maintenance and its cost;
- Type of roads a municipality operates: i.e. arterial, collector or local roads and expressways;
- Availability of public transit;
- Average commute distances (e.g. from home to work or school); and
- Volume of traffic coming from outside the municipality.

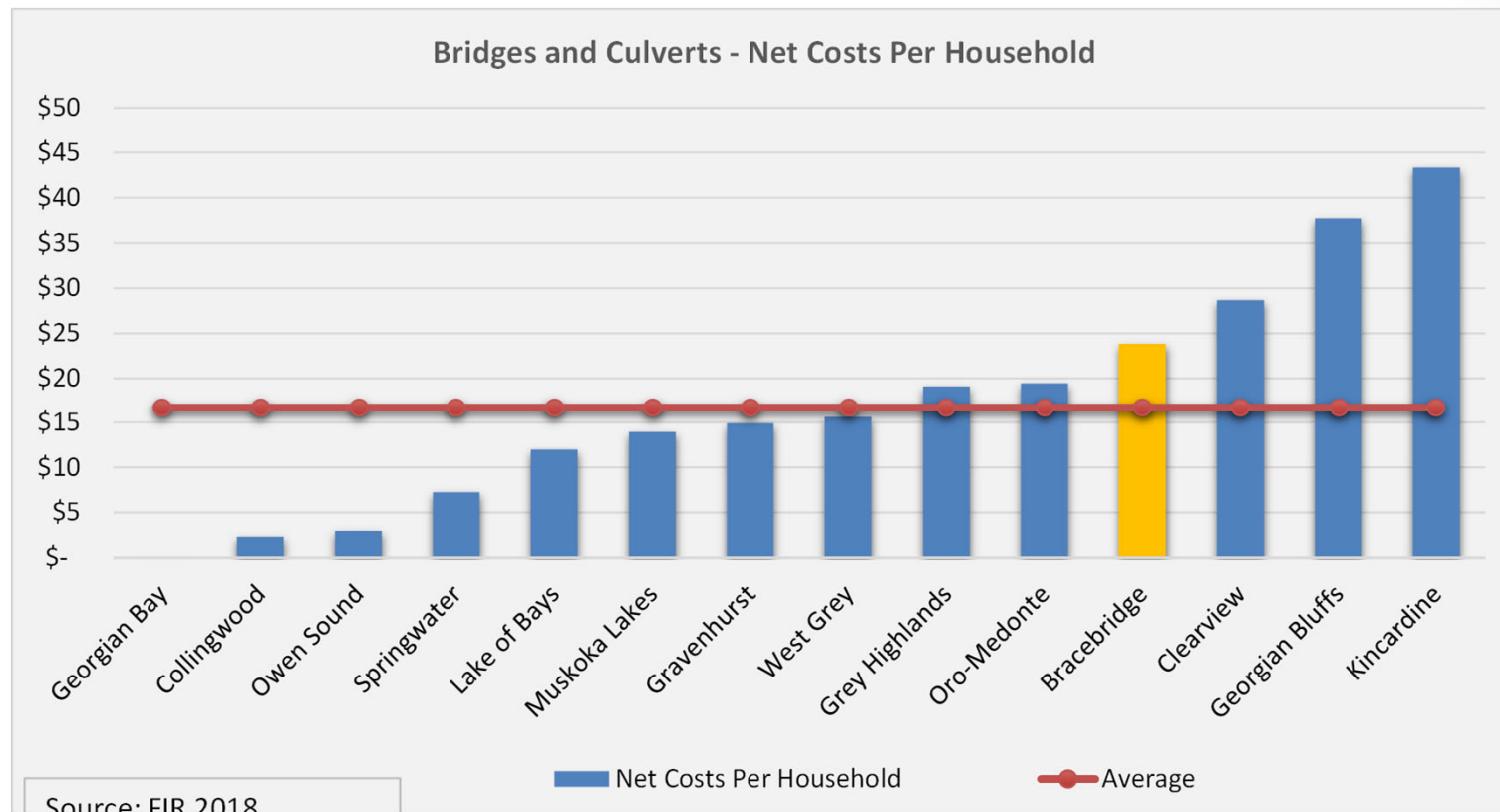


Roads & Winter Control – Net Costs Per Household – 2018 FIR



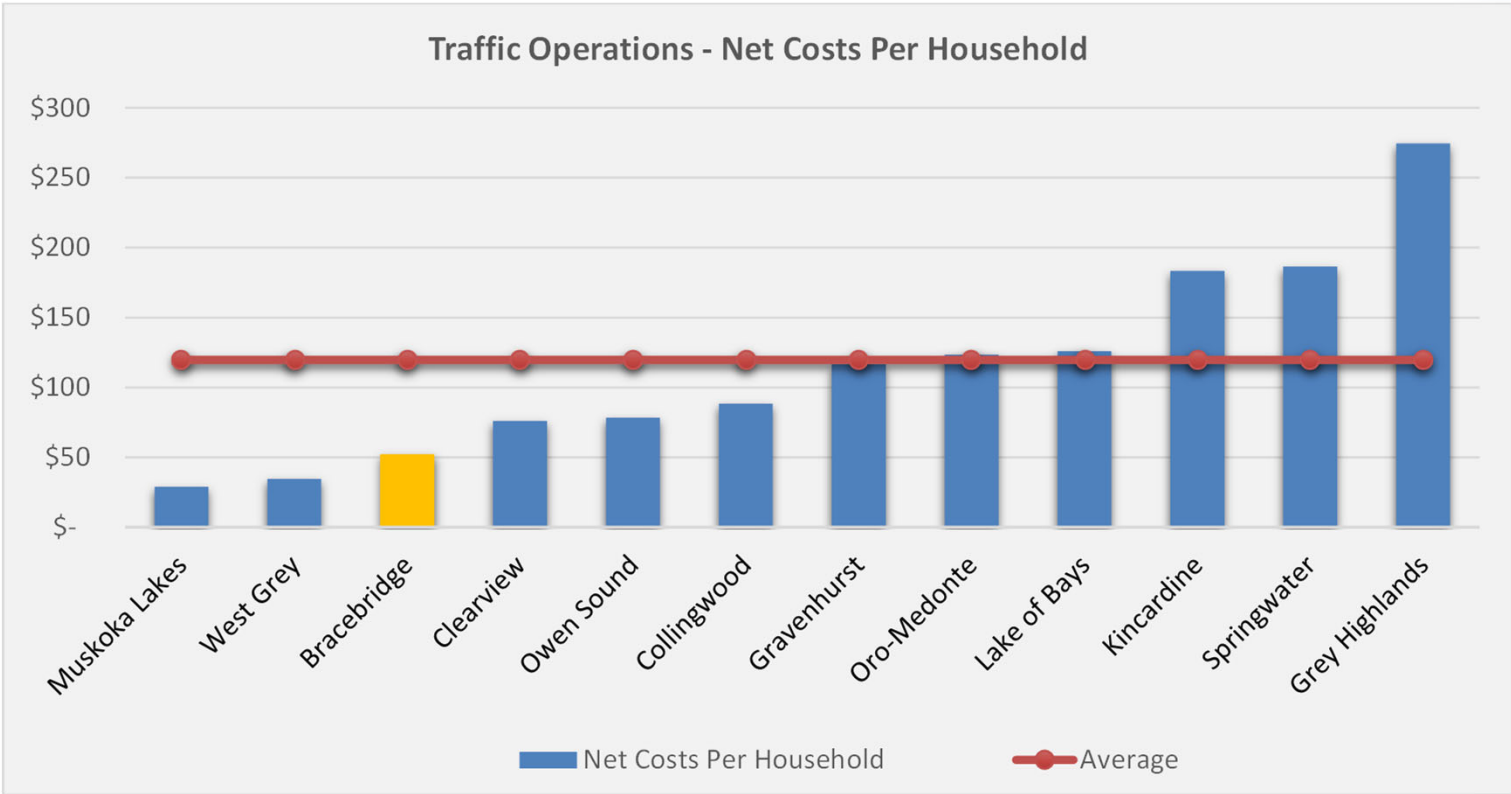
- Roads & Winter Control costs in Bracebridge are below the peer survey on a per household basis.

Bridges and Culverts – Net Costs Per Household – 2018 FIR



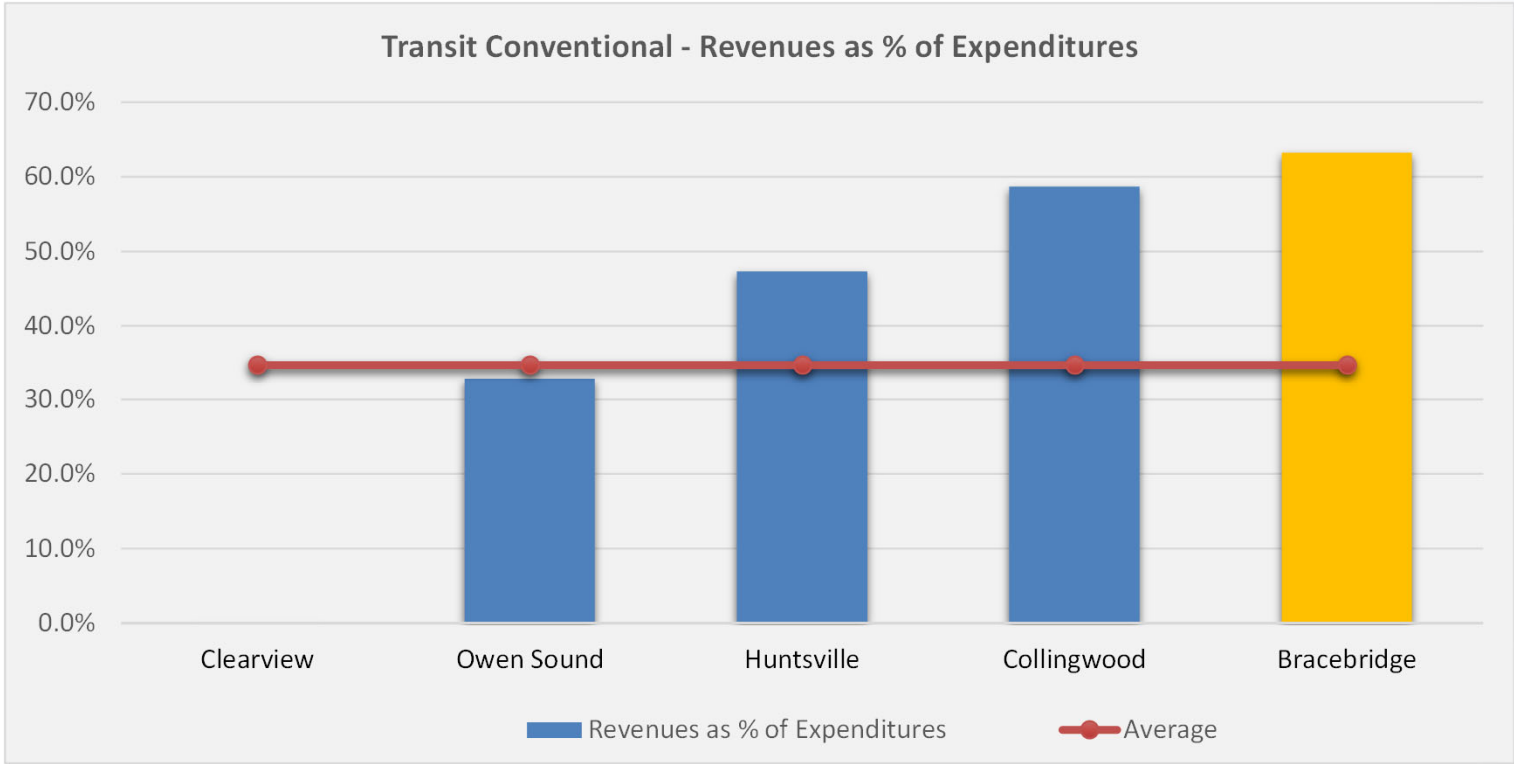
- Bridges & Culverts costs per household basis in Bracebridge are above the peer survey. This is driven by higher than average kms of bridges and culverts.

Traffic Operations – Net Costs Per Household – 2018 FIR



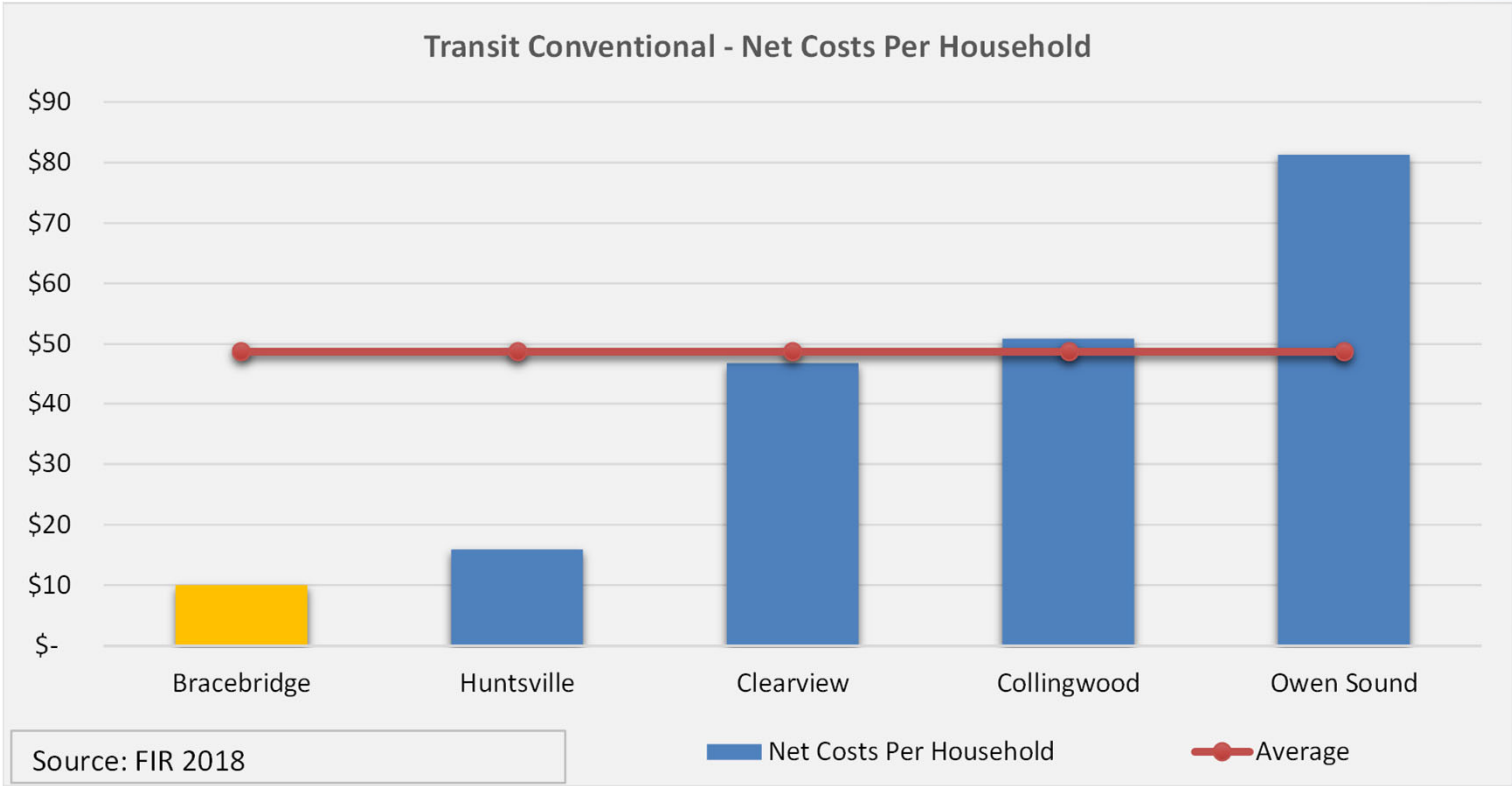
- Traffic Operations in Bracebridge are below the peer survey on a per Household basis

Transit Conventional Revenues as a % of Expenditures – 2018 FIR



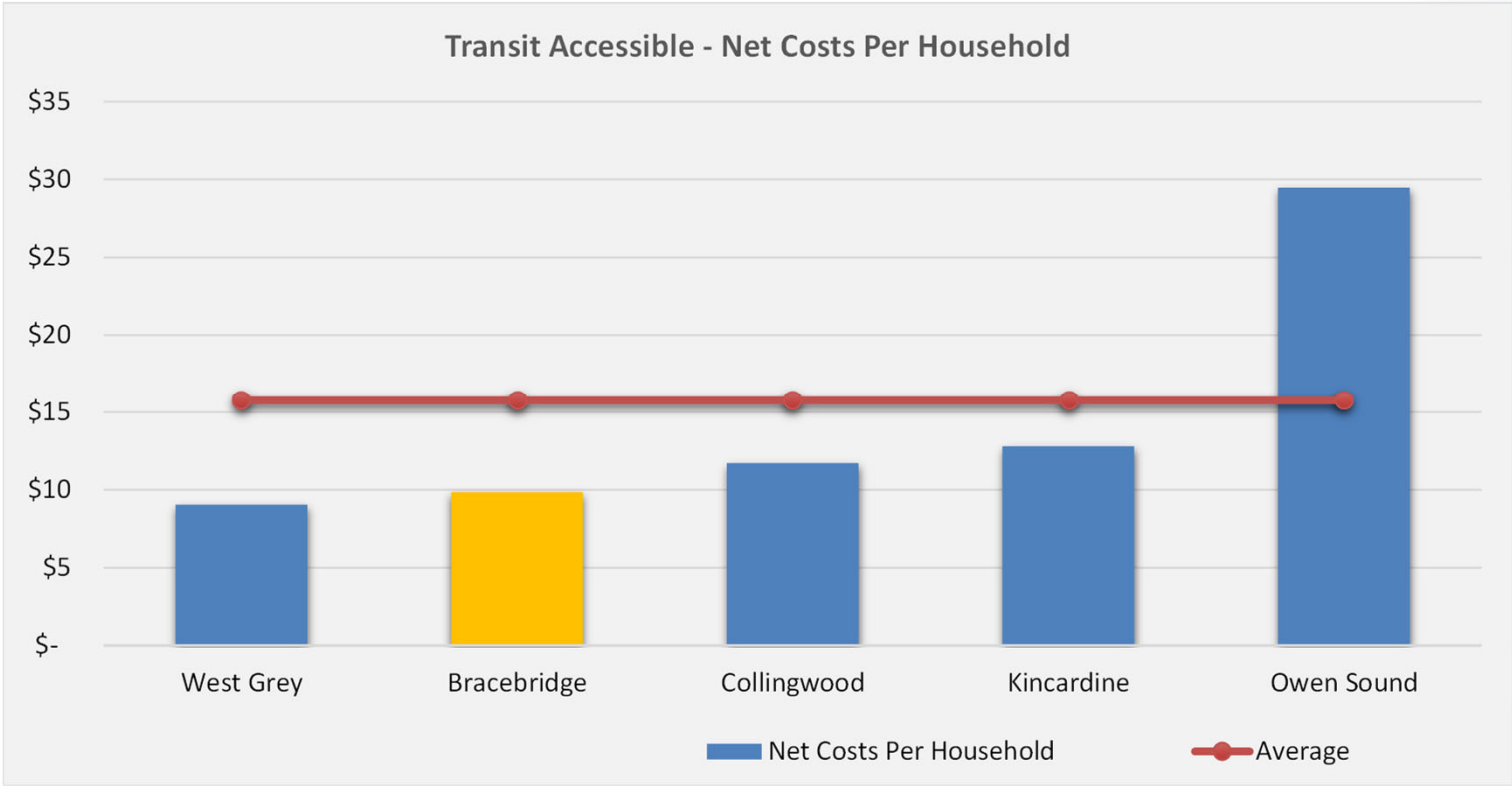
- Transit Revenues as a % of Expenditures in Bracebridge are highest in the peer survey. This could be the result of lower than average costs, higher ridership and/or higher revenues.

Transit Conventional – Net Costs Per Household – 2018 FIR



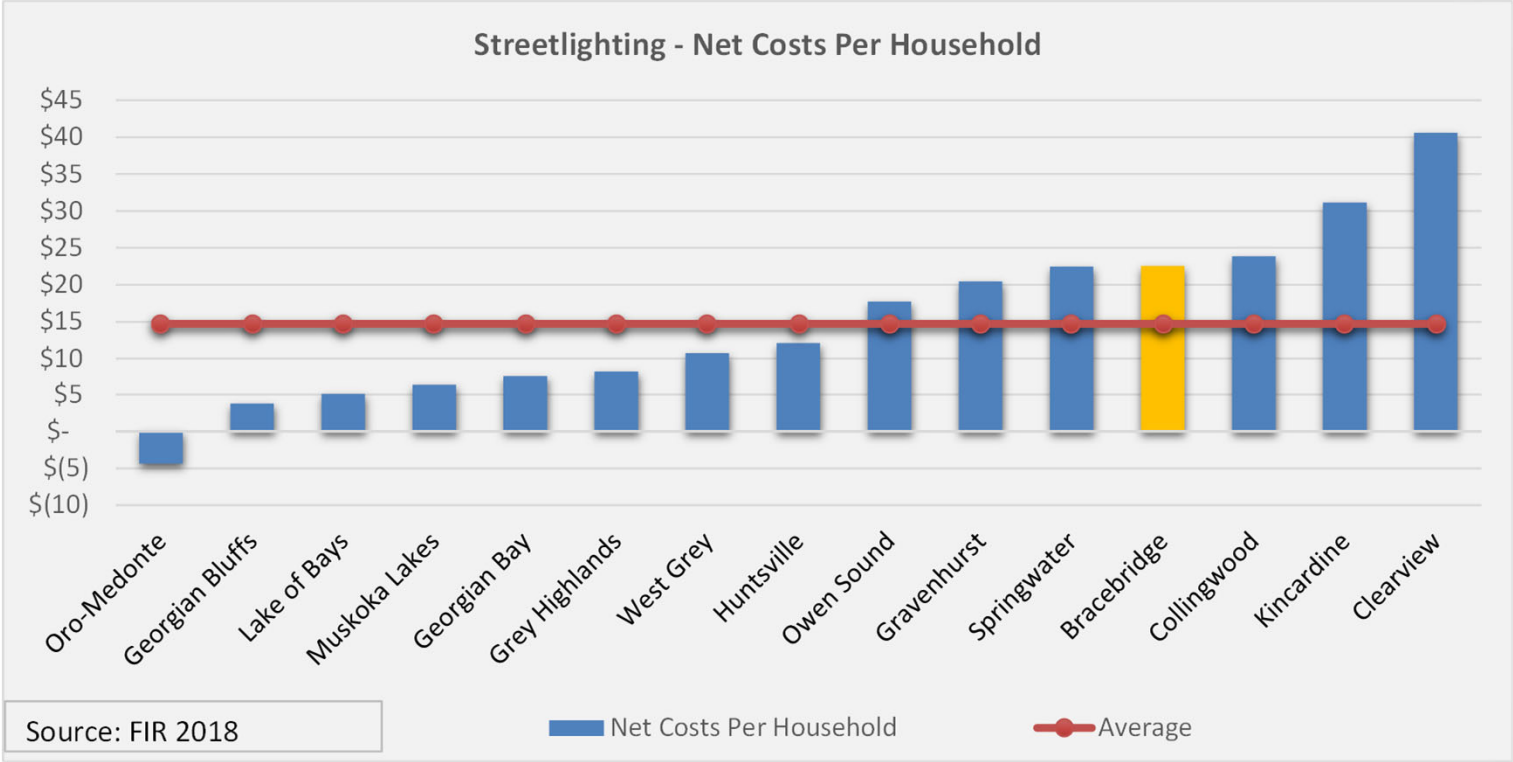
- Transit Conventional costs in Bracebridge are lowest in the peer survey on a per household basis.

Transit Accessible– Net Costs Per Household – 2018 FIR



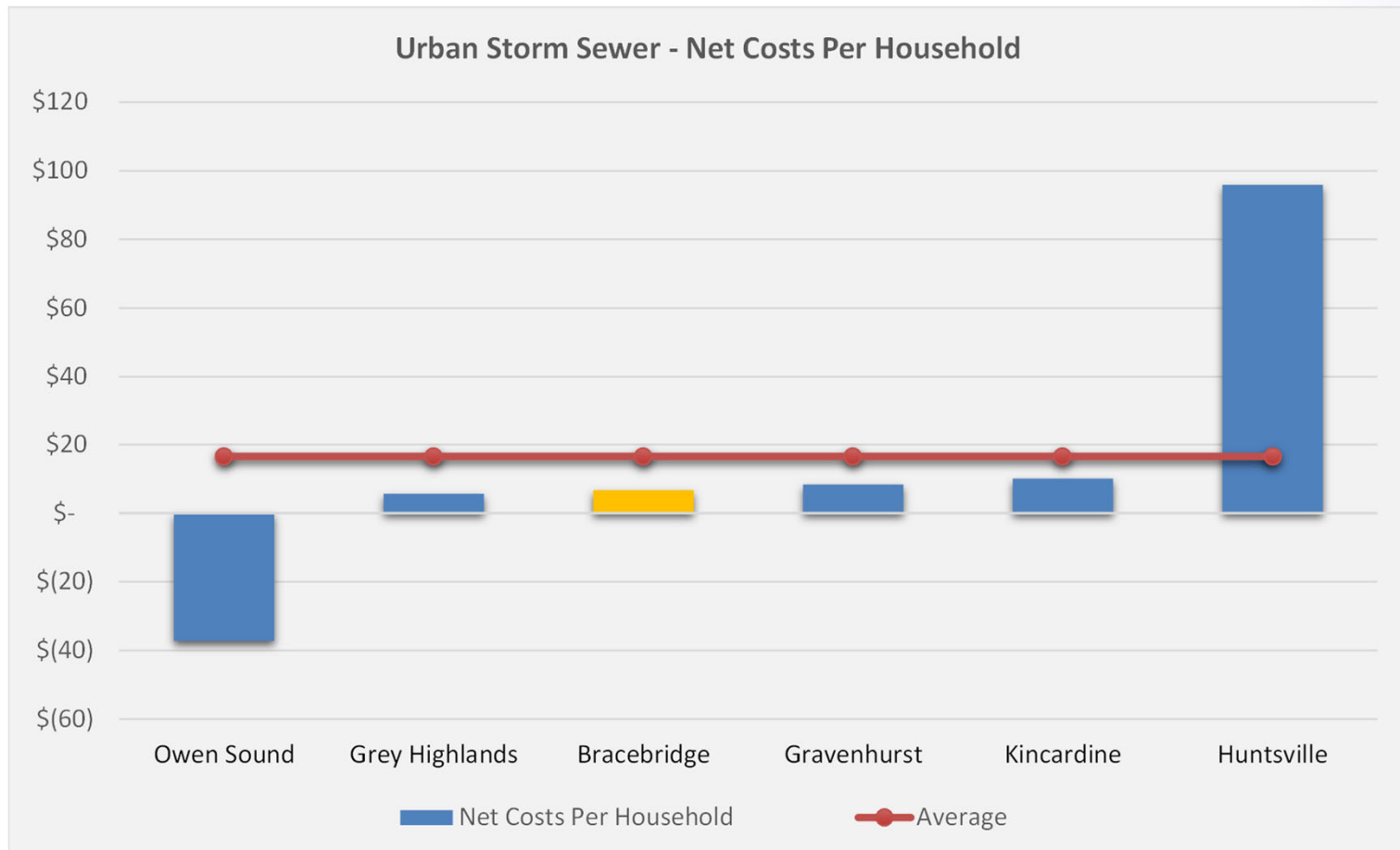
- Transit Accessible net costs in Bracebridge are below the peer survey on a per household basis.

Streetlighting– Net Costs Per Household – 2018 FIR



- Streetlighting net costs in Bracebridge are above the peer survey on a per household basis
- Streetlighting costs have remained constant in 2019 and 2020 budget as a result of cost savings achieved through the LED conversion

Urban Storm Sewer – Net Costs Per Household – 2018 FIR



- Urban Storm Sewer net costs in Bracebridge are below the peer survey on a per household basis



BRACEBRIDGE
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Health Services Cemeteries



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Cemeteries – Background Information

Services and Portfolio

- The Town of Bracebridge is responsible for the management and operation of nineteen cemeteries, and ensures that provincial legislative provisions under the *Funeral, Burial and Cremation Services Act, 2002* are observed.
- Cemetery maintenance and interment functions are carried out by way of contracted services.

Cemeteries – Net Operating Levy

| Cemeteries Operating | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Contracted Services | \$ 52,200 | \$ 52,300 | \$ 55,320 | \$ 52,430 | \$ 50,510 | \$ 50,160 | 62.3% | \$ (2,040) | -0.8% |
| Materials & Supplies | \$ 12,900 | \$ 15,100 | \$ 15,300 | \$ 13,650 | \$ 13,620 | \$ 13,260 | 16.5% | \$ 360 | 0.6% |
| I.T Support | \$ 2,800 | \$ 2,900 | \$ 2,890 | \$ 3,000 | \$ 3,090 | \$ 3,250 | 4.0% | \$ 450 | 3.0% |
| Financial Expense | \$ 17,400 | \$ 20,400 | \$ 10,240 | \$ 9,060 | \$ 9,470 | \$ 9,080 | 11.3% | \$ (8,320) | -12.2% |
| Misc Expenses | \$ 6,900 | \$ 5,320 | \$ 6,330 | \$ 6,030 | \$ 7,750 | \$ 4,790 | 5.9% | \$ (2,110) | -7.0% |
| Total Operating Expenses | \$ 92,200 | \$ 96,020 | \$ 90,080 | \$ 84,170 | \$ 84,440 | \$ 80,540 | 100.0% | \$ (11,660) | -2.7% |
| Total Operating Revenues | \$ 52,700 | \$ 67,400 | \$ 72,660 | \$ 62,770 | \$ 72,960 | \$ 66,820 | | \$ 14,120 | 4.9% |
| Total Net Operating Levy | \$ 39,500 | \$ 28,620 | \$ 17,420 | \$ 21,400 | \$ 11,480 | \$ 13,720 | | \$ (25,780) | -19.1% |

- From 2015-2020, the Cemeteries Net Operating Levy reduced, on average, annually by 19% through a combination of increasing revenues and decreasing expenditures.
 - Total expenditures have reduced \$11,660 from 2015-2020 mainly as a result of the financial expenses (Care & Maintenance Trust payment).
 - Over the same period of time, the revenues have increased \$14,120.
- Annually, adjustments are made to the Cemeteries Operating Budget based on prior year actual revenues and expenditures.

Cemeteries – Variance Analysis

| Cemeteries Operating | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------------|-----------------------------|------------------|------------------|-------------------|-------------------|--------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Contracted Services | \$ 5,497 | \$ 4,949 | \$ 11,978 | \$ 12,406 | \$ 4,025 | \$ 9,500 |
| Materials & Supplies | \$ (623) | \$ (735) | \$ 2,734 | \$ (511) | \$ 726 | \$ 1,000 |
| I.T Support | \$ 20 | \$ 14 | \$ 47 | \$ 107 | \$ 53 | \$ 100 |
| Financial Expense | \$ (1,597) | \$ 12,096 | \$ 2,772 | \$ (559) | \$ (50) | \$ 700 |
| Misc Expenses | \$ 2,142 | \$ 2,051 | \$ 455 | \$ 2,320 | \$ 2,197 | \$ 1,700 |
| Total Operating Expenses | \$ 5,439 | \$ 18,375 | \$ 17,986 | \$ 13,764 | \$ 6,950 | \$ 12,900 |
| Total Operating Revenues | \$ (599) | \$ 4,298 | \$ 16,126 | \$ (7,801) | \$ (1,017) | \$ 2,400 |
| Total Net Operating Levy | \$ 6,038 | \$ 14,077 | \$ 1,860 | \$ 21,565 | \$ 7,967 | \$ 10,500 |

Note: a positive number reflects a net underspending in expenditures. A negative revenue variance reflects where actual revenues have exceeded budgeted revenues.

- Overall, there has been a positive variance whereby the actual net expenditures have been lower than the budget.
- Contracted services is primarily related to the care and maintenance of the cemeteries. As shown above, contracted services has been underspent, on average over the last three years by \$9,500. In 2019 contracted service was underspent by approximately \$4,000. Contracted services should be reviewed in terms of potential opportunity to reduce the budget.

Cemeteries – Key Findings and Observations

- The Town is responsible for the care and maintenance 19 cemeteries (active and inactive), the majority of which were inherited by the Town in accordance with the *Funeral, Burial and Cremation Services Act, 2002* and in some cases, no care and maintenance funds were provided through the transfer of responsibility.
- Due to difficulty in projecting interments and lot sales, 5-year averages are utilized in the development of the Cemeteries budget.
- Cemeteries is a legislated service which restricts, in part, the ability to reduce the net levy.
- There may be a potential to reduce contracted services which has consistently been underspent over the past five years.



BRACEBRIDGE
The Heart of Muskoka

Recreation and Cultural Services



Recreation and Cultural Services– Summary by Operating Object of Expenditure/Revenues

| Operating Recreation & Cultural Services | Budget | | | | | | % of Total 2020 | \$ change 2015-2020 | % annual change 2015-2020 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------|---------------------|---------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 2,671,385 | \$ 2,727,335 | \$ 2,828,265 | \$ 3,028,670 | \$ 3,316,760 | \$ 3,400,670 | 54.2% | \$ 729,285 | 4.9% |
| Contracted Services | \$ 336,610 | \$ 375,395 | \$ 366,275 | \$ 418,030 | \$ 421,510 | \$ 443,800 | 7.1% | \$ 107,190 | 5.7% |
| Materials & Supplies | \$ 277,210 | \$ 316,860 | \$ 360,560 | \$ 342,960 | \$ 356,140 | \$ 335,440 | 5.3% | \$ 58,230 | 3.9% |
| Utilities | \$ 571,300 | \$ 577,700 | \$ 596,200 | \$ 581,810 | \$ 573,200 | \$ 569,380 | 9.1% | \$ (1,920) | -0.1% |
| I.T Support | \$ 192,950 | \$ 193,350 | \$ 198,690 | \$ 209,410 | \$ 216,380 | \$ 223,800 | 3.6% | \$ 30,850 | 3.0% |
| Financial Expense | \$ 150,850 | \$ 152,400 | \$ 154,800 | \$ 159,100 | \$ 160,300 | \$ 162,400 | 2.6% | \$ 11,550 | 1.5% |
| Town and Hired Equipment | \$ 29,800 | \$ 49,300 | \$ 60,030 | \$ 65,550 | \$ 68,550 | \$ 74,000 | 1.2% | \$ 44,200 | 20.0% |
| Program Expenses | \$ 67,500 | \$ 204,250 | \$ 218,050 | \$ 215,750 | \$ 233,850 | \$ 96,750 | 1.5% | \$ 29,250 | 7.5% |
| Debt Charges | \$ 640,200 | \$ 640,130 | \$ 640,130 | \$ 640,120 | \$ 640,120 | \$ 640,120 | 10.2% | \$ (80) | 0.0% |
| Misc Expenses | \$ 290,440 | \$ 379,040 | \$ 368,170 | \$ 302,050 | \$ 290,450 | \$ 324,220 | 5.2% | \$ 33,780 | 2.2% |
| Total Operating Expenses | \$ 5,228,245 | \$ 5,615,760 | \$ 5,791,170 | \$ 5,963,450 | \$ 6,277,260 | \$ 6,270,580 | 100.0% | \$1,042,335 | 3.7% |
| Grants | \$ 34,600 | \$ 174,600 | \$ 192,200 | \$ 185,900 | \$ 196,100 | \$ 62,200 | 4.0% | \$ 27,600 | 12.4% |
| Program Revenues | \$ 1,049,700 | \$ 1,083,600 | \$ 1,126,300 | \$ 1,197,500 | \$ 1,259,100 | \$ 1,279,100 | 81.9% | \$ 229,400 | 4.0% |
| Other Revenues | \$ 194,475 | \$ 248,335 | \$ 322,470 | \$ 250,200 | \$ 244,200 | \$ 220,990 | 14.1% | \$ 26,515 | 2.6% |
| Total Operating Revenues | \$ 1,278,775 | \$ 1,506,535 | \$ 1,640,970 | \$ 1,633,600 | \$ 1,699,400 | \$ 1,562,290 | 100.0% | \$ 283,515 | 4.1% |
| Total Net Operating Levy | \$ 3,949,470 | \$ 4,109,225 | \$ 4,150,200 | \$ 4,329,850 | \$ 4,577,860 | \$ 4,708,290 | | \$ 758,820 | 3.6% |
| % Change | | 4% | 1% | 4% | 6% | 3% | | | |

- On average, there has been an annual increase in operating expenses of 3.7%.
- Salaries, wages and benefits represent 54.2% of the Total Operating Levy.
- Revenues increase, on average, annually by 4.1%.
- Debt charges represents 10% of the total operating expenses.

Recreation and Cultural Services – Variance Analysis

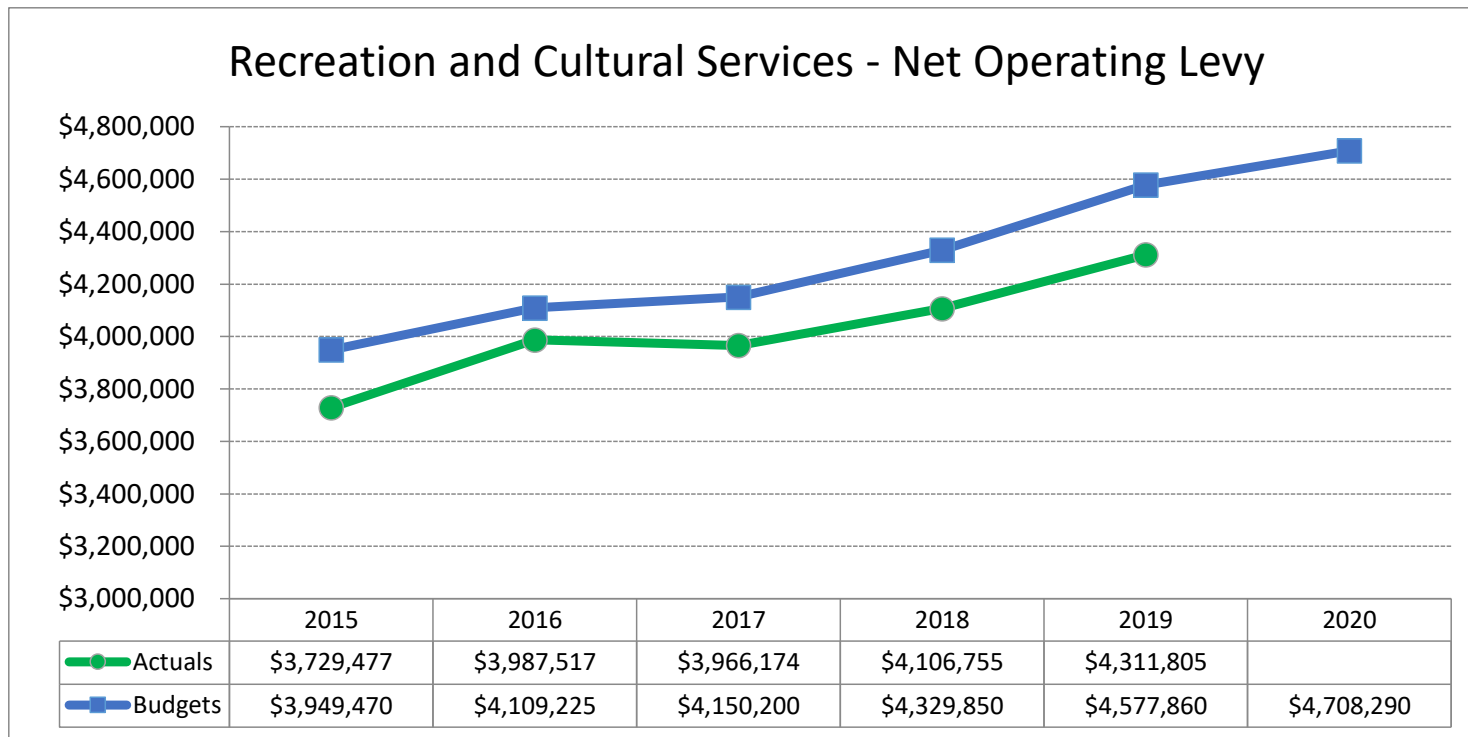
| Operating Recreation & Cultural Services | Budget to Actuals Variances | | | | | 3 Year |
|--|-----------------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Salaries, Wages & Benefits | \$ 77,761 | \$ (3,622) | \$ 58,893 | \$ 69,137 | \$ 185,370 | \$ 104,500 |
| Contracted Services | \$ (34,013) | \$ 26,537 | \$ (10,333) | \$ (11,065) | \$ 3,156 | \$ (6,100) |
| Materials & Supplies | \$ 15,731 | \$ 27,625 | \$ 52,427 | \$ 28,512 | \$ 59,229 | \$ 46,700 |
| Utilities | \$ 17,209 | \$ (16,980) | \$ 18,362 | \$ 20,275 | \$ 17,513 | \$ 18,700 |
| I.T Support | \$ 2,288 | \$ 10,029 | \$ (24,883) | \$ 2,171 | \$ (2,120) | \$ (8,300) |
| Financial Expense | \$ (2,436) | \$ (1,693) | \$ (6,078) | \$ (2,150) | \$ (3,646) | \$ (4,000) |
| Town and Hired Equipment | \$ (6,873) | \$ (20,337) | \$ (1,482) | \$ 2,896 | \$ 16,478 | \$ 6,000 |
| Program Expenses | \$ (2,939) | \$ (11,350) | \$ 11,132 | \$ (4,713) | \$ 139,517 | \$ 48,600 |
| Debt Charges | \$ 2,432 | \$ 4,067 | \$ 4,283 | \$ 4,500 | \$ 4,739 | \$ 4,500 |
| Misc Expenses | \$ (57,015) | \$ 33,401 | \$ 41,624 | \$ 40,519 | \$ (17,173) | \$ 21,700 |
| Total Operating Expenses | \$ 12,145 | \$ 47,678 | \$ 143,945 | \$ 150,081 | \$ 403,063 | \$ 232,400 |
| Grants | \$ (139,704) | \$ (12,366) | \$ 11,114 | \$ 8,134 | \$ 123,000 | \$ 47,400 |
| Program Revenues | \$ (53,413) | \$ (69,222) | \$ (40,190) | \$ (108,539) | \$ (27) | \$ (49,600) |
| Other Revenues | \$ (14,731) | \$ 7,558 | \$ (11,005) | \$ 27,391 | \$ 14,034 | \$ 10,100 |
| Total Operating Revenues | \$ (207,848) | \$ (74,030) | \$ (40,080) | \$ (73,014) | \$ 137,008 | \$ 8,000 |
| Total Net Operating Levy | \$ 219,993 | \$ 121,708 | \$ 184,026 | \$ 223,095 | \$ 266,055 | \$ 224,400 |

While a five year trend analysis has been included, the primary focus was on the last three years to provide an understanding of areas where opportunities may exist to reduce the net levy based on the budget to actual variance analysis. The following summarizes the findings over the past three years:

- On a consolidated basis, there has been a positive variance of (5.1%) annually (\$224,400), reflecting actual net expenditures lower than budget in Recreation and Cultural Services.

The next section of the report provides additional information on each of the business units.

Recreation and Cultural Services – Net Operating Levy



- As shown above, the actual Net Operating Levy is below the budget in each year.

Recreation and Cultural Services– Summary by Business Unit

| Recreation & Cultural Services Operating | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Recreation | \$ 2,758,050 | \$ 2,805,965 | \$ 2,787,810 | \$ 2,842,660 | \$ 2,901,630 | \$ 2,948,030 | 62.6% | \$ 189,980 | 1.3% |
| Library | \$ 685,500 | \$ 720,900 | \$ 746,270 | \$ 758,820 | \$ 849,580 | \$ 857,670 | 18.2% | \$ 172,170 | 4.6% |
| Parks & Trails | \$ 391,900 | \$ 462,360 | \$ 497,660 | \$ 517,040 | \$ 620,430 | \$ 708,060 | 15.0% | \$ 316,160 | 12.6% |
| Other Facilities | \$ 114,020 | \$ 120,000 | \$ 118,460 | \$ 211,330 | \$ 206,220 | \$ 194,530 | 4.1% | \$ 80,510 | 11.3% |
| Total Net Operating | \$ 3,949,470 | \$ 4,109,225 | \$ 4,150,200 | \$ 4,329,850 | \$ 4,577,860 | \$ 4,708,290 | 100.0% | \$ 758,820 | 3.6% |
| Recreation | \$ 40,500 | \$ 140,000 | \$ 166,000 | \$ 163,200 | \$ 223,000 | \$ 246,000 | 37.6% | \$ 205,500 | 43.4% |
| Library | \$ 131,400 | \$ 133,950 | \$ 173,000 | \$ 178,000 | \$ 204,000 | \$ 109,000 | 16.6% | \$ (22,400) | -3.7% |
| Parks & Trails | \$ 160,000 | \$ 103,500 | \$ 45,000 | \$ 70,500 | \$ 125,000 | \$ 300,000 | 45.8% | \$ 140,000 | 13.4% |
| Other Facilities | \$ 46,000 | \$ 47,000 | \$ 64,000 | \$ 78,000 | \$ 105,000 | \$ - | 0.0% | \$ (46,000) | -100.0% |
| Total Net Capital Levy | \$ 377,900 | \$ 424,450 | \$ 448,000 | \$ 489,700 | \$ 657,000 | \$ 655,000 | 100.0% | \$ 277,100 | 11.6% |
| Net Operating and Capital Levy | \$ 4,327,370 | \$ 4,533,675 | \$ 4,598,200 | \$ 4,819,550 | \$ 5,234,860 | \$ 5,363,290 | | \$ 1,035,920 | 4.4% |

- The Recreation and Cultural Service Area includes Recreation, Library, Parks & Trails and Other Municipal Facilities.
- 62.6% of the Recreation and Cultural Services Operating Budget is related to the Recreation program which has increased, on average, 1.3% annually from 2015-2020.
- The Capital Levy increased from 2015-2020; an average annual increase of 11.6%.
- The average annual net levy increase was 4.4% from 2015-2020.

Recreation and Cultural Services – Variance Analysis by Business Unit

| Recreation & Cultural Services Operating | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|--|-----------------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Recreation | \$ 153,816 | \$ 109,579 | \$ 115,427 | \$ 110,098 | \$ 107,324 | \$ 110,900 |
| Library | \$ 52,473 | \$ 25,176 | \$ 31,731 | \$ 55,735 | \$ 34,799 | \$ 40,800 |
| Parks & Trails | \$ 9,272 | \$ 2,202 | \$ 36,298 | \$ 26,673 | \$ 62,943 | \$ 42,000 |
| Other Facilities | \$ 4,432 | -\$ 17,315 | \$ 570 | \$ 30,588 | \$ 60,990 | \$ 30,700 |
| Total | \$ 219,993 | \$ 119,643 | \$ 184,026 | \$ 223,095 | \$ 266,055 | \$ 224,400 |

As show above, the net underspending in Recreation and Cultural Services exist in each of the business areas. The following summarizes the findings over the past three years, on average:

- The **Recreation** area has experienced \$110,900 in underspending annually. This includes underspending in:
 - \$32,000 in Arena operations. Based on a review of the trends and the 2020 Budget, there appears to be limited opportunities for reductions in the net levy as the variances are driven by temporary events.
 - \$31,000 in Sportsplex operations. Based on a review of the trends and the 2020 Budget, there appears to be limited opportunities for reductions in the net levy as the variances are driven by temporary events. Utilities costs were lower than budget in 2019. Based on the 2020 Operating Budget, if this were to continue, there would be opportunities to reduce this expenditure line item.

Recreation and Cultural Services – Variance Analysis by Business Unit

- \$20,000 in Recreation Administration. Based on a review of the trends and the 2020 Budget, there appears to be some opportunities to reduce Miscellaneous Expenses (e.g. minor capital, conferences, office supplies, etc.) which have been lower than budget by \$17,600 annually and Materials & Supplies \$5,600 annually.
- \$25,000 in Recreation Programs in net underspending, on average annually. No specific revenues or expenditures were identified for review as the variances were one-time in nature.
- \$3,000 in Outdoor Facilities primarily related to the Annie William outdoor rink.
- The **Parks and Trails** area has experienced \$42,000 in underspending annually. Based on a review of the trends and the 2020 Budget, there appears to be some opportunities to reduce the Net Operating Levy in the following areas:
 - Materials and Supplies have been underspent by \$23,500, annually over the past 3 years.
 - Salaries, benefits and wages should be reviewed as there has been an under expenditure of \$29,700 on average annually over the last three years. The 2020 budget has not been adjusted to reflect the lower actual cost of service. However, it should be noted that during this time, there has been an increase in contracted services.

Recreation and Cultural Services – Variance Analysis by Business Unit

- **Library** operations has experienced \$40,800 in underspending, annually over the past three years, primarily related to employee absences. Based on a review of the trends and the 2020 Operating Budget, there appears to be some opportunities to reduce the net levy in the following areas:
 - Materials and Supplies have been underspent by \$6,100, annually.
 - Utilities expenses have been underspent by \$3,500, annually.
 - Miscellaneous Expenses have been underspent by \$3,200, annually.
- The **Other Facilities** (Woodchester Villa, Bird Mill Mews, Oakley Village Square) area experienced, an annual underspending of \$30,700. Based on a review of the trends and the 2020 Budget, there appears to be some opportunities to reduce the net levy in salaries, benefits and wages where there has been an under expenditure of \$8,000 on average annually over the last two years. Utilities has been reduced annually in the budget and on an actual basis, continues to represents some potential opportunities to reduce the budget further by approximately \$5,000.

Recreation and Cultural Services – Variance Analysis

Based on an analysis of the trends and taking into consideration the need to maintain sufficient flexibility in the budget, the range of potential budget reductions is estimated to be \$0-\$85,550 as follows:

| Recreation & Cultural Services Operating | Potential Savings Low | Potential Savings High |
|---|-----------------------------|------------------------------|
| Recreation | \$ - | \$ 25,400 |
| Library | \$ - | \$ 12,800 |
| Parks & Trails | \$ - | \$ 38,350 |
| Other Facilities | \$ - | \$ 9,000 |
| Total Net Operating | \$ - | \$ 85,550 |

Recreation and Cultural
Potential opportunities for levy reduction
Range \$0 - \$85,550



***Detailed Analysis
Recreation and Cultural Services***



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line Recreation



Recreation – Background Information

Services and Portfolio

- The Recreation Department budget is structured into five areas:
 - Sportsplex Facility Operations
 - Arena Facility Operations
 - Outdoor Facilities Operations
 - Administration
 - Community Programs.
- Services include recreation programming and memberships; management and coordination of indoor and outdoor recreation facilities; liaison with sport organizations; facility bookings; special event management and support; youth employment; community development initiatives; and partnership development with community organizations and businesses.
- Indoor recreation facilities include the Bracebridge Sportsplex, Bracebridge Memorial Arena, James W. Kerr Park Chalet, and Peake Fields at Verena Acres Concession. Outdoor recreation facilities include Kelvin Grove and Kerr Park Courts, Skateboard Park and the Outdoor Ice Rinks at Annie Williams Memorial Park and Memorial Park.

Recreation Trends and New Initiatives

Trends

- Overall, the Town has experienced an increased demand and provision of more programs and activities.
- An active aging population is expected to continue to increase demand for service. As a result, the Town does not experience significant dark or low peak periods during day as a result of strong seniors programming. The following summarizes the trends:
 - Anticipated increases in aquatic programs.
 - 55+ and 65+ and 75+ hockey continues to reflect strong interest in the community.
 - Lawn bowling and new interest in indoor carpet bowling.
- It is anticipated that there will be increased need for after school programs which will impact the cost of service.
- Despite the increased demand and provision of programs and activities, the Recreation Operating Budget has experienced a net annual increase of only 1.3% annually.

There are a number of new initiatives underway including but not limited to:

- Recreation, Parks and Trails Master Plan Implementation;
- Multi-Use Community Centre – Multi-Year project;
- Issuing an RFP to undertake the revitalization of the closed courts at Kerr Park and repurposing of the Kelvin Grove Courts;
- Sportsplex Facility Upgrades; and
- Bracebridge Soccer Club Agreement for Use of Gostick Park

Recreation – Total Net Levy By Business Unit

| Recreation | Budget | | | | | | % | \$ Change | % Annual Change |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------|-------------------|-----------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Arena | \$ 304,720 | \$ 316,510 | \$ 327,360 | \$ 333,620 | \$ 334,470 | \$ 352,710 | 12.0% | \$ 47,990 | 3.0% |
| Multi-Use Facility | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ - | |
| Sportsplex | \$ 1,527,750 | \$ 1,522,580 | \$ 1,524,840 | \$ 1,556,750 | \$ 1,612,750 | \$ 1,619,570 | 54.9% | \$ 91,820 | 1.2% |
| Outdoor Facilities | \$ 117,920 | \$ 106,165 | \$ 98,410 | \$ 91,090 | \$ 87,310 | \$ 92,750 | 3.1% | \$ (25,170) | -4.7% |
| Rec. Administration | \$ 565,700 | \$ 637,350 | \$ 604,750 | \$ 634,320 | \$ 647,390 | \$ 664,300 | 22.5% | \$ 98,600 | 3.3% |
| Rec. Programs | \$ 241,960 | \$ 223,360 | \$ 232,450 | \$ 226,880 | \$ 219,710 | \$ 218,700 | 7.4% | \$ (23,260) | -2.0% |
| Net Operating Levy | \$ 2,758,050 | \$ 2,805,965 | \$ 2,787,810 | \$ 2,842,660 | \$ 2,901,630 | \$ 2,948,030 | 100.0% | \$ 189,980 | 1.3% |
| Arena | \$ 20,500 | \$ 7,000 | \$ 10,000 | \$ 39,000 | \$ 148,000 | \$ 15,000 | 6.1% | \$ (5,500) | -6.1% |
| Multi-Use Facility | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ - | |
| Sportsplex | \$ 15,000 | \$ 108,000 | \$ 128,000 | \$ 124,200 | \$ 38,000 | \$ 166,000 | 67.5% | \$ 151,000 | 61.7% |
| Outdoor Facilities | \$ 5,000 | \$ 20,000 | \$ 28,000 | \$ - | \$ 37,000 | \$ 65,000 | 26.4% | \$ 60,000 | 67.0% |
| Rec. Administration | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ - | |
| Rec. Programs | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ - | |
| Net Capital Levy | \$ 40,500 | \$ 135,000 | \$ 166,000 | \$ 163,200 | \$ 223,000 | \$ 246,000 | 100.0% | \$ 205,500 | 43.4% |
| Arena | \$ 325,220 | \$ 323,510 | \$ 337,360 | \$ 372,620 | \$ 482,470 | \$ 367,710 | 11.5% | \$ 42,490 | 2.5% |
| Multi-Use Facility | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ - | |
| Sportsplex | \$ 1,542,750 | \$ 1,630,580 | \$ 1,652,840 | \$ 1,680,950 | \$ 1,650,750 | \$ 1,785,570 | 55.9% | \$ 242,820 | 3.0% |
| Outdoor Facilities | \$ 122,920 | \$ 126,165 | \$ 126,410 | \$ 91,090 | \$ 124,310 | \$ 157,750 | 4.9% | \$ 34,830 | 5.1% |
| Rec. Administration | \$ 565,700 | \$ 637,350 | \$ 604,750 | \$ 634,320 | \$ 647,390 | \$ 664,300 | 20.8% | \$ 98,600 | 3.3% |
| Rec. Programs | \$ 241,960 | \$ 223,360 | \$ 232,450 | \$ 226,880 | \$ 219,710 | \$ 218,700 | 6.8% | \$ (23,260) | -2.0% |
| Total Net Levy | \$ 2,798,550 | \$ 2,940,965 | \$ 2,953,810 | \$ 3,005,860 | \$ 3,124,630 | \$ 3,194,030 | 100.0% | \$ 395,480 | 2.7% |

Recreation Services – Variance Analysis by Business Unit

| Recreation | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Arena | \$ 23,520 | \$ (280) | \$ 20,203 | \$ 44,921 | \$ 31,492 | \$ 32,200 |
| Multi-Use Facility | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sportsplex | \$ 5,128 | \$ 32,457 | \$ 18,026 | \$ 36,988 | \$ 37,196 | \$ 30,700 |
| Outdoor Facilities | \$ 32,999 | \$ 20,425 | \$ 26,667 | \$ (12,570) | \$ (5,494) | \$ 2,900 |
| Rec. Administration | \$ 29,964 | \$ 24,975 | \$ 28,124 | \$ 19,066 | \$ 12,762 | \$ 20,000 |
| Rec. Programs | \$ 62,205 | \$ 32,002 | \$ 22,407 | \$ 21,693 | \$ 31,367 | \$ 25,200 |
| Total Net Operating Levy | \$ 153,816 | \$ 109,579 | \$ 115,427 | \$ 110,098 | \$ 107,324 | \$ 110,900 |

- Note: a positive number reflects a net underspending compared to the budget.
- On average, over the past 3 years, the **Recreation** area has experienced \$110,900 in underspending on a consolidated basis.
- A review of each business unit has been provided in each section of the report.

Recreation Services – Net Operating Levy By Object of Expenditures/Revenues

| Recreation Operating Recreation | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 1,998,100 | \$ 2,029,000 | \$ 2,105,290 | \$ 2,260,990 | \$ 2,373,960 | \$ 2,424,400 | 55.1% | \$ 426,300 | 3.9% |
| Contracted Services | \$ 160,900 | \$ 170,900 | \$ 161,300 | \$ 160,100 | \$ 170,100 | \$ 182,100 | 4.1% | \$ 21,200 | 2.5% |
| Materials & Supplies | \$ 193,710 | \$ 205,410 | \$ 221,210 | \$ 211,510 | \$ 206,290 | \$ 203,400 | 4.6% | \$ 9,690 | 1.0% |
| Utilities | \$ 502,300 | \$ 505,100 | \$ 526,300 | \$ 507,470 | \$ 506,480 | \$ 509,190 | 11.6% | \$ 6,890 | 0.3% |
| I.T Support | \$ 103,950 | \$ 99,750 | \$ 105,410 | \$ 108,350 | \$ 113,030 | \$ 116,420 | 2.6% | \$ 12,470 | 2.3% |
| Insurance | \$ 46,490 | \$ 47,660 | \$ 48,920 | \$ 47,920 | \$ 46,870 | \$ 42,790 | 1.0% | \$ (3,700) | -1.6% |
| Financial Expense | \$ 79,850 | \$ 81,700 | \$ 84,200 | \$ 88,500 | \$ 89,700 | \$ 91,700 | 2.1% | \$ 11,850 | 2.8% |
| Program Expenses | \$ 66,000 | \$ 202,250 | \$ 216,050 | \$ 212,750 | \$ 221,350 | \$ 89,250 | 2.0% | \$ 23,250 | 6.2% |
| Debt Charges | \$ 640,200 | \$ 640,130 | \$ 640,130 | \$ 640,120 | \$ 640,120 | \$ 640,120 | 14.6% | \$ (80) | 0.0% |
| Misc Expenses | \$ 86,850 | \$ 201,700 | \$ 193,750 | \$ 114,550 | \$ 97,980 | \$ 96,650 | 2.2% | \$ 9,800 | 2.2% |
| Total Operating Expenses | \$ 3,878,350 | \$ 4,183,600 | \$ 4,302,560 | \$ 4,352,260 | \$ 4,465,880 | \$ 4,396,020 | 100.0% | \$ 517,670 | 2.5% |
| Program Revenues | \$ 1,049,700 | \$ 1,083,600 | \$ 1,126,300 | \$ 1,197,500 | \$ 1,259,100 | \$ 1,279,100 | 88.3% | \$ 229,400 | 4.0% |
| Grants | \$ 1,800 | \$ 141,800 | \$ 155,100 | \$ 153,000 | \$ 163,100 | \$ 29,200 | 2.0% | \$ 27,400 | 74.6% |
| Other Revenues | \$ 68,800 | \$ 152,235 | \$ 233,350 | \$ 159,100 | \$ 142,050 | \$ 139,690 | 9.6% | \$ 70,890 | 15.2% |
| Total Operating Revenues | \$ 1,120,300 | \$ 1,377,635 | \$ 1,514,750 | \$ 1,509,600 | \$ 1,564,250 | \$ 1,447,990 | 100.0% | \$ 327,690 | 5.3% |
| Total Net Operating Levy | \$ 2,758,050 | \$ 2,805,965 | \$ 2,787,810 | \$ 2,842,660 | \$ 2,901,630 | \$ 2,948,030 | | \$ 189,980 | 1.3% |

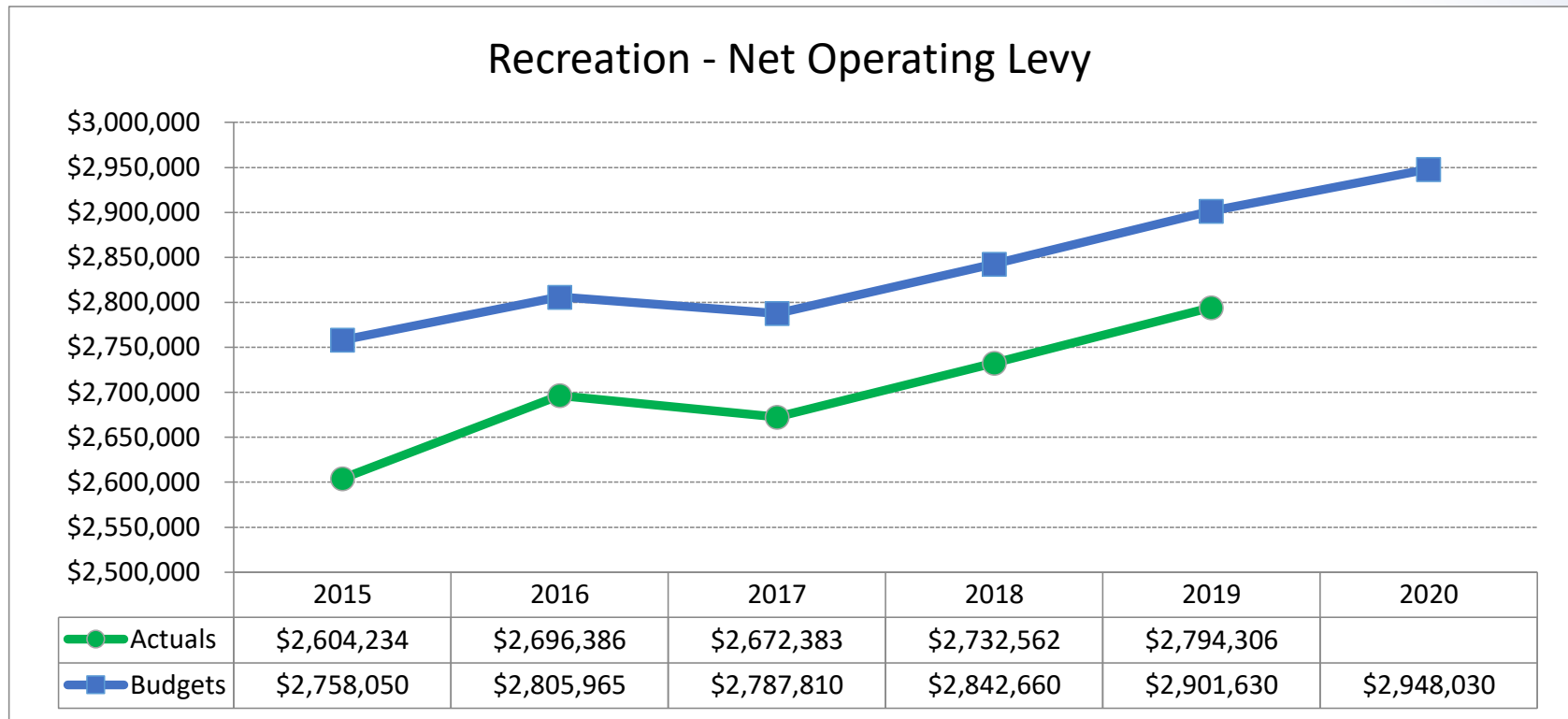
- The Net Operating Levy has increase, on average 1.3% annually, well below inflation.
- Salaries, wages and benefits is the largest object of expenditure, representing 55% of the 2020 Operating Budget.
- Program expenses, while not a large expenditure has experienced the greatest annual increase as a result of increases in recreation programming.

Recreation Services – Variance Analysis

| Recreation Operating Recreation | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|------------------------------------|-----------------------------|--------------------|--------------------|--------------------|-------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Salaries, Wages & Benefits | \$ 67,386 | \$ (26,222) | \$ 30,330 | \$ 27,238 | \$ 76,115 | \$ 44,600 |
| Contracted Services | \$ (20,290) | \$ 28,433 | \$ (2,281) | \$ (25,620) | \$ (7,573) | \$ (11,800) |
| Materials & Supplies | \$ 16,773 | \$ 15,871 | \$ 17,029 | \$ (365) | \$ 22,235 | \$ 13,000 |
| Utilities | \$ 9,852 | \$ (17,519) | \$ 13,703 | \$ 8,070 | \$ (25) | \$ 7,200 |
| I.T Support | \$ 2,844 | \$ 2,298 | \$ (13,875) | \$ (6,940) | \$ (793) | \$ (7,200) |
| Insurance | \$ 462 | \$ (2,214) | \$ (5,075) | \$ 3,000 | \$ (38) | \$ (700) |
| Financial Expense | \$ (2,870) | \$ (1,877) | \$ (6,057) | \$ (2,024) | \$ (3,435) | \$ (3,800) |
| Program Expenses | \$ (2,521) | \$ (11,342) | \$ 12,678 | \$ (5,647) | \$ 134,053 | \$ 47,000 |
| Debt Charges | \$ 2,432 | \$ 4,067 | \$ 4,283 | \$ 4,500 | \$ 4,739 | \$ 4,500 |
| Misc Expenses | \$ (104,705) | \$ 57,804 | \$ 30,055 | \$ 36,172 | \$ 11,871 | \$ 26,000 |
| Total Operating Expenses | \$ (30,638) | \$ 49,297 | \$ 80,790 | \$ 38,385 | \$ 237,150 | \$ 118,800 |
| Program Revenues | \$ (53,413) | \$ (69,222) | \$ (40,190) | \$ (108,539) | \$ (27) | \$ (49,600) |
| Grants | \$ (128,833) | \$ (7,945) | \$ 15,100 | \$ 7,993 | \$ 123,008 | \$ 48,700 |
| Other Revenues | \$ (2,208) | \$ 16,885 | \$ (9,546) | \$ 28,833 | \$ 6,845 | \$ 8,700 |
| Total Operating Revenues | \$ (184,454) | \$ (60,282) | \$ (34,636) | \$ (71,713) | \$ 129,826 | \$ 7,800 |
| Total Net Operating Levy | \$ 153,816 | \$ 109,579 | \$ 115,427 | \$ 110,098 | \$ 107,324 | \$ 110,900 |

- Note: a positive number reflects lower than anticipated expenditures. A negative revenue reflects greater than anticipated revenues. Underspensing has consistently been experienced in a number of areas over the past the years including:
 - Salaries, wages and benefits and miscellaneous expenses. A review by business unit is presented in the next section of the report.
 - Program expenses were lower than budgeted as was the grant in 2019 as the program was based on receipt of a District grant which was not received.

Recreation – Net Operating Levy – Budget to Actuals



- Actual expenditures have been below the budget from 2015-2020.
- The total actual Net Operating Levy for Recreation has been below the budget in each year in the range of \$110,000-\$153,000 annually, representing a potential opportunity to revisit the budget and reduce the levy. However, it should be noted that the majority of the variance has been related to employee absences and temporary events.

Arena – Net Operating Levy

| Arena Operating | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 272,000 | \$ 295,200 | \$ 309,070 | \$ 321,490 | \$ 325,840 | \$ 352,040 | 58.2% | \$ 80,040 | 5.3% |
| Contracted Services | \$ 67,900 | \$ 68,400 | \$ 68,400 | \$ 67,200 | \$ 67,200 | \$ 65,200 | 10.8% | \$ (2,700) | -0.8% |
| Materials & Supplies | \$ 25,100 | \$ 22,700 | \$ 19,700 | \$ 19,250 | \$ 18,750 | \$ 18,770 | 3.1% | \$ (6,330) | -5.6% |
| Utilities | \$ 153,300 | \$ 149,100 | \$ 148,500 | \$ 145,640 | \$ 140,070 | \$ 142,870 | 23.6% | \$ (10,430) | -1.4% |
| Insurance | \$ 13,020 | \$ 13,410 | \$ 13,650 | \$ 12,640 | \$ 13,260 | \$ 12,380 | 2.0% | \$ (640) | -1.0% |
| Misc Expenses | \$ 13,800 | \$ 12,300 | \$ 11,000 | \$ 11,000 | \$ 13,450 | \$ 13,150 | 2.2% | \$ (650) | -1.0% |
| Total Operating Expenses | \$ 545,120 | \$ 561,110 | \$ 570,320 | \$ 577,220 | \$ 578,570 | \$ 604,410 | 100.0% | \$ 59,290 | 2.1% |
| Total Operating Revenues | \$ 240,400 | \$ 244,600 | \$ 242,960 | \$ 243,600 | \$ 244,100 | \$ 251,700 | | \$ 11,300 | 0.9% |
| Total Net Operating Levy | \$ 304,720 | \$ 316,510 | \$ 327,360 | \$ 333,620 | \$ 334,470 | \$ 352,710 | 58.4% | \$ 47,990 | 3.0% |

- Salaries, wages & benefits represents 58% of the total expenditures.
- Utilities represents 24% of the costs and the budgeted expenditures have been decreasing annually by 1.4%.
- Arena revenues have been increasing at a rate lower than expenditure increases. Revenues have varied, in part, based on whether junior hockey is using the facility.

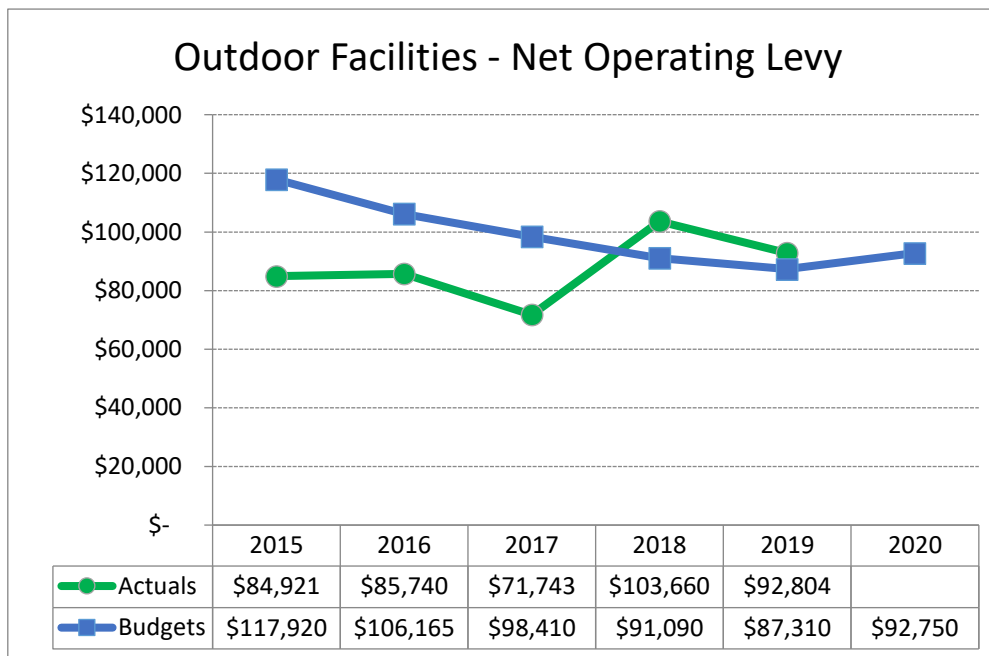
Arena – Variance Analysis

| Arena Operating | Budget to Actuals Variances | | | | | 3 Year Average |
|---------------------------------|-----------------------------|------------------|------------------|--------------------|--------------------|--------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Salaries, Wages & Benefits | \$ 17,080 | \$ 319 | \$ 4,102 | \$ 14,249 | \$ 786 | \$ 6,400 |
| Contracted Services | \$ (16,026) | \$ 18,305 | \$ 11,282 | \$ (990) | \$ 13,866 | \$ 8,100 |
| Materials & Supplies | \$ 10,118 | \$ 2,299 | \$ 4,391 | \$ (7,500) | \$ 3,728 | \$ 200 |
| Utilities | \$ 16,776 | \$ 548 | \$ 336 | \$ 7,368 | \$ (8,459) | \$ (300) |
| Insurance | \$ 449 | \$ (2,224) | \$ 287 | \$ (1) | \$ (46) | \$ 100 |
| Misc Expenses | \$ 1,974 | \$ 2,605 | \$ 2,885 | \$ 2,752 | \$ 5,213 | \$ 3,600 |
| Total Operating Expenses | \$ 30,372 | \$ 21,851 | \$ 23,283 | \$ 15,878 | \$ 15,088 | \$ 18,100 |
| Total Operating Revenues | \$ 6,852 | \$ 22,131 | \$ 3,080 | \$ (29,043) | \$ (16,404) | \$ (14,100) |
| Total Net Operating Levy | \$ 23,520 | \$ (280) | \$ 20,203 | \$ 44,921 | \$ 31,492 | \$ 32,200 |

- Note: a positive number reflects an underspending in expenditures. A negative revenue variance reflects where actual revenues have exceeded budgeted revenues.
- Over the past three years, on average the annual net underspending was \$32,200 in Arena operations.
- Analysis of the operations reflects limited opportunity to reduce the levy as the variance are mainly related to one-time occurrences beyond the control of the municipality.

Outdoor Facilities – Net Operating Levy

| Operating Outdoor Facilities | Budget | | | | | | \$ Change | | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|--------------------|--------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | % of Total 2020 | 2015-2020 | % change 2015-2020 |
| Materials & Supplies | \$ 13,800 | \$ 14,200 | \$ 18,300 | \$ 16,400 | \$ 14,930 | \$ 14,930 | 11.5% | \$ 1,130 | 1.6% |
| Utilities | \$ 36,300 | \$ 28,000 | \$ 27,800 | \$ 24,860 | \$ 23,930 | \$ 26,520 | 20.5% | \$ (9,780) | -6.1% |
| Financial Expense | \$ 72,200 | \$ 72,200 | \$ 72,200 | \$ 72,200 | \$ 72,200 | \$ 72,200 | 55.7% | \$ - | 0.0% |
| Misc Expenses | \$ 24,220 | \$ 20,300 | \$ 14,410 | \$ 14,630 | \$ 15,300 | \$ 15,890 | 12.3% | \$ (8,330) | -8.1% |
| Total Operating Expenses | \$ 146,520 | \$ 134,700 | \$ 132,710 | \$ 128,090 | \$ 126,360 | \$ 129,540 | 100.0% | \$ (16,980) | -2.4% |
| Total Operating Revenues | \$ 28,600 | \$ 28,535 | \$ 34,300 | \$ 37,000 | \$ 39,050 | \$ 36,790 | | \$ 8,190 | 5.2% |
| Total Net Operating Levy | \$ 117,920 | \$ 106,165 | \$ 98,410 | \$ 91,090 | \$ 87,310 | \$ 92,750 | | \$ (25,170) | -4.7% |
| % Change | | -10% | -7% | -7% | -4% | 6% | | | |



Net operating expenditures from outdoor facilities has decreased from 2015-2020 as a result of increases in revenues and decreases in utility costs.

Outdoor Facilities – Variance Analysis

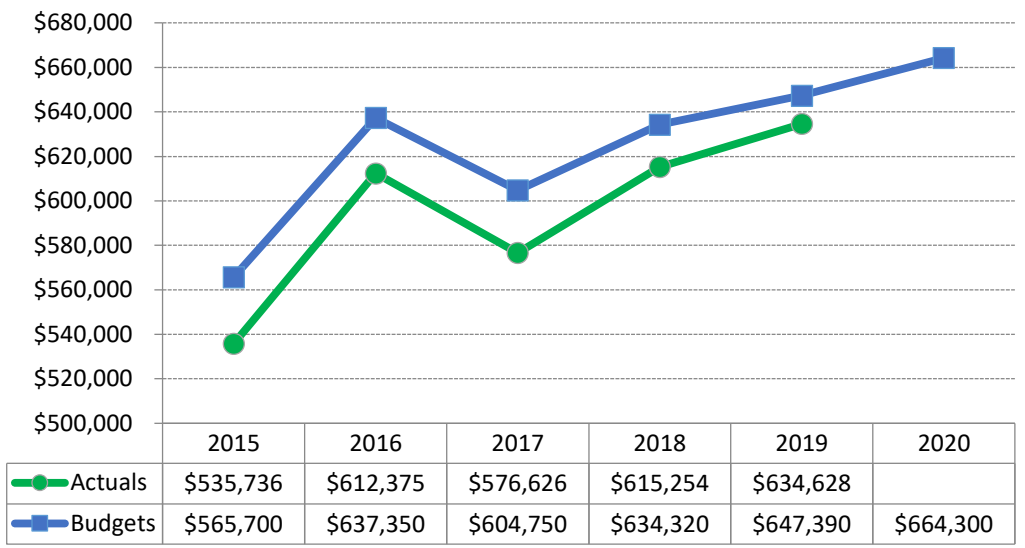
| Operating Outdoor Facilities | Budget to Actuals Variances | | | | | 3 Year |
|---------------------------------|-----------------------------|-------------------|-------------------|--------------------|-------------------|-----------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Materials & Supplies | \$ 4,364 | \$ 6,011 | \$ 3,448 | \$ 3,077 | \$ 1,991 | \$ 2,800 |
| Utilities | \$ 13,503 | \$ 1,753 | \$ 11,265 | \$ (10,689) | \$ (1,637) | \$ (400) |
| Financial Expense | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Misc Expenses | \$ 13,374 | \$ 7,463 | \$ 4,793 | \$ 878 | \$ (3,477) | \$ 700 |
| Total Operating Expenses | \$ 31,241 | \$ 15,227 | \$ 19,507 | \$ (6,734) | \$ (3,123) | \$ 3,200 |
| Total Operating Revenues | \$ (1,758) | \$ (5,198) | \$ (7,160) | \$ 5,835 | \$ 2,371 | \$ 300 |
| Total Net Operating Levy | \$ 32,999 | \$ 20,425 | \$ 26,667 | \$ (12,570) | \$ (5,494) | \$ 2,900 |

- Note: a positive number reflects an underspending in expenditures. A negative revenue variance reflects where actual revenues have exceeded budgeted revenues.
- Based on the trend analysis, there appears to be limited opportunities for costs savings in this area. The total program has been overspent in the last two years.

Recreation Administration – Net Operating Levy

| Recreation Administration Operating | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % annual change 2015- 2020 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 400,000 | \$ 407,400 | \$ 429,840 | \$ 451,470 | \$ 457,380 | \$ 473,530 | 69.2% | \$ 73,530 | 3.4% |
| Materials & Supplies | \$ 34,850 | \$ 44,850 | \$ 54,950 | \$ 55,650 | \$ 56,000 | \$ 51,800 | 7.6% | \$ 16,950 | 8.2% |
| I.T Support | \$ 103,950 | \$ 99,750 | \$ 105,410 | \$ 108,350 | \$ 113,030 | \$ 116,420 | 17.0% | \$ 12,470 | 2.3% |
| Financial Expense | \$ 7,650 | \$ 9,500 | \$ 12,000 | \$ 16,300 | \$ 17,500 | \$ 19,500 | 2.9% | \$ 11,850 | 20.6% |
| Misc Expenses | \$ 21,750 | \$ 128,350 | \$ 121,850 | \$ 43,950 | \$ 24,280 | \$ 22,650 | 3.3% | \$ 900 | 0.8% |
| Total Operating Expenses | \$ 568,200 | \$ 689,850 | \$ 724,050 | \$ 675,720 | \$ 668,190 | \$ 683,900 | 100.0% | \$ 115,700 | 3.8% |
| Total Operating Revenues | \$ 2,500 | \$ 52,500 | \$ 119,300 | \$ 41,400 | \$ 20,800 | \$ 19,600 | | \$ 17,100 | 51.0% |
| Total Net Operating Levy | \$ 565,700 | \$ 637,350 | \$ 604,750 | \$ 634,320 | \$ 647,390 | \$ 664,300 | | \$ 98,600 | 3.3% |
| % Change | | 13% | -5% | 5% | 2% | 3% | | | |

Rec Admin - Net Operating Levy



The actual Recreation Administration Net Operating Levy has been below the budget from 2015-2019.

Recreation Administration – Variance Analysis

| Recreation Administration Operating | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|--|-----------------------------|------------------|-------------------|------------------|------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Salaries, Wages & Benefits | \$ 22,859 | \$ (1,444) | \$ 16,363 | \$ 19,740 | \$ 10,012 | \$ 15,400 |
| Materials & Supplies | \$ 2,256 | \$ 11,611 | \$ 7,951 | \$ 6,535 | \$ 2,411 | \$ 5,600 |
| I.T Support | \$ 2,844 | \$ 2,298 | \$ (13,875) | \$ (6,940) | \$ (793) | \$ (7,200) |
| Financial Expense | \$ (2,870) | \$ (1,877) | \$ (6,057) | \$ (2,024) | \$ (3,435) | \$ (3,800) |
| Misc Expenses | \$ 4,841 | \$ 36,926 | \$ 20,404 | \$ 23,695 | \$ 8,579 | \$ 17,600 |
| Total Operating Expenses | \$ 29,930 | \$ 47,514 | \$ 24,786 | \$ 41,006 | \$ 16,774 | \$ 27,500 |
| Total Operating Revenues | \$ (34) | \$ 22,539 | \$ (3,338) | \$ 21,940 | \$ 4,012 | \$ 7,500 |
| Total Net Operating Levy | \$ 29,964 | \$ 24,975 | \$ 28,124 | \$ 19,066 | \$ 12,762 | \$ 20,000 |

- Note: a positive number reflects an underspending in expenditures. A negative revenue variance reflects where actual revenues have exceeded budgeted revenues.
- The average annual underspending over the past three years was \$20,000 in Recreation Administration.
- Miscellaneous expenses have been lower than budget by \$17,600 annually and Materials & Supplies \$5,600 annually. The Operating Budget in 2020 was adjusted for these items by and \$1,620 and \$4,200 respectively reflecting a potential opportunity to reduce the Operating Budget further in 2021.

Recreation Programs – Net Operating Levy

| Recreation Programs Operating | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 886,400 | \$ 897,000 | \$ 927,440 | \$ 1,001,470 | \$ 1,056,150 | \$ 1,068,300 | 87.9% | \$ 181,900 | 3.8% |
| Materials & Supplies | \$ 44,960 | \$ 44,660 | \$ 46,760 | \$ 39,160 | \$ 39,060 | \$ 38,100 | 3.1% | \$ (6,860) | -3.3% |
| Program Expenses | \$ 52,300 | \$ 187,050 | \$ 199,250 | \$ 195,950 | \$ 204,600 | \$ 72,500 | 6.0% | \$ 20,200 | 6.7% |
| Misc Expenses | \$ 28,100 | \$ 27,450 | \$ 36,000 | \$ 35,700 | \$ 35,800 | \$ 35,900 | 3.0% | \$ 7,800 | 5.0% |
| Total Operating Expenses | \$ 1,011,760 | \$ 1,156,160 | \$ 1,209,450 | \$ 1,272,280 | \$ 1,335,610 | \$ 1,214,800 | 100% | \$ 203,040 | 3.7% |
| Grants | \$ 1,800 | \$ 141,800 | \$ 155,100 | \$ 153,000 | \$ 163,100 | \$ 29,200 | 2.9% | \$ 27,400 | 74.6% |
| Rent & Financial | \$ 5,000 | \$ 5,000 | \$ 4,000 | \$ 4,500 | \$ 4,800 | \$ 5,000 | 0.5% | \$ - | 0.0% |
| Program Revenues | \$ 762,800 | \$ 786,000 | \$ 815,800 | \$ 886,900 | \$ 947,000 | \$ 961,400 | 96.5% | \$ 198,600 | 4.7% |
| Miscellaneous Revenues | \$ 200 | \$ - | \$ 2,100 | \$ 1,000 | \$ 1,000 | \$ 500 | 0.1% | \$ 300 | 20.1% |
| Total Operating Revenues | \$ 769,800 | \$ 932,800 | \$ 977,000 | \$ 1,045,400 | \$ 1,115,900 | \$ 996,100 | 100% | \$ 226,300 | 5.3% |
| Total Net Operating Levy | \$ 241,960 | \$ 223,360 | \$ 232,450 | \$ 226,880 | \$ 219,710 | \$ 218,700 | | \$ (23,260) | -2.0% |

- The Net Operating Levy for recreation programs has decreased annually, on average, by 2%.
- Program revenues have increased, on average, by 4.7% annually, greater than the expenditure increases.

Recreation Programs – Variance Analysis

| Recreation Programs | Budget to Actuals Variances | | | | | 3 Year Average | |
|---------------------------------|-----------------------------|------------------|--------------------|--------------------|--------------------|-------------------|------------------|
| | Operating | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Salaries, Wages & Benefits | \$ | 1,515 | \$ (35,023) | \$ (22,542) | \$ (44,849) | \$ 33,773 | \$ (11,200) |
| Materials & Supplies | \$ | 4,988 | \$ (741) | \$ 3,672 | \$ 3,711 | \$ 11,467 | \$ 6,300 |
| Program Expenses | \$ | 720 | \$ (9,249) | \$ 11,953 | \$ (6,041) | \$ 134,176 | \$ 46,700 |
| Misc Expenses | \$ | (115,434) | \$ (524) | \$ 1,128 | \$ 2,696 | \$ (492) | \$ 1,100 |
| Total Operating Expenses | \$ | (108,210) | \$ (45,537) | \$ (5,789) | \$ (44,483) | \$ 178,924 | \$ 42,900 |
| Grants | \$ | (128,833) | \$ (7,945) | \$ 15,100 | \$ 7,993 | \$ 123,008 | \$ 48,700 |
| Rent & Financial | \$ | 415 | \$ 1,196 | \$ 162 | \$ (120) | \$ 503 | \$ 200 |
| Program Revenues | \$ | (41,996) | \$ (67,616) | \$ (44,340) | \$ (75,050) | \$ 23,046 | \$ (32,100) |
| Miscellaneous Revenues | \$ | (1) | \$ (3,175) | \$ 882 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Total Operating Revenues | \$ | (170,415) | \$ (77,540) | \$ (28,196) | \$ (66,177) | \$ 147,557 | \$ 17,700 |
| Total Net Operating Levy | \$ | 62,205 | \$ 32,002 | \$ 22,407 | \$ 21,693 | \$ 31,367 | \$ 25,200 |

- Note: a positive number reflects a net underspending in expenditures. A negative revenue variance reflects where actual revenues have exceeded budgeted revenues.
- Over the past three years, on average, there has been a net underspending of \$25,200 in Recreation Programs annually. No specific revenues or expenditures were identified for review as the variances are primarily one-time in nature.

Sportsplex – Net Operating Levy

| Sportsplex Operating | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 439,700 | \$ 429,400 | \$ 438,940 | \$ 486,560 | \$ 534,590 | \$ 530,530 | 30.1% | \$ 90,830 | 3.8% |
| Contracted Services | \$ 82,000 | \$ 92,000 | \$ 92,000 | \$ 92,000 | \$ 102,000 | \$ 116,000 | 6.6% | \$ 34,000 | 7.2% |
| Materials & Supplies | \$ 75,000 | \$ 79,000 | \$ 81,500 | \$ 81,050 | \$ 77,550 | \$ 79,800 | 4.5% | \$ 4,800 | 1.2% |
| Utilities | \$ 312,700 | \$ 328,000 | \$ 350,000 | \$ 336,970 | \$ 342,480 | \$ 339,800 | 19.3% | \$ 27,100 | 1.7% |
| Debt Charges | \$ 640,200 | \$ 640,130 | \$ 640,130 | \$ 640,120 | \$ 640,120 | \$ 640,120 | 36.3% | \$ (80) | 0.0% |
| Misc Expenses | \$ 57,150 | \$ 73,250 | \$ 63,460 | \$ 62,250 | \$ 60,410 | \$ 57,120 | 3.2% | \$ (30) | 0.0% |
| Total Operating Expenses | \$ 1,606,750 | \$ 1,641,780 | \$ 1,666,030 | \$ 1,698,950 | \$ 1,757,150 | \$ 1,763,370 | 100.0% | \$ 156,620 | 1.9% |
| Total Operating Revenues | \$ 79,000 | \$ 119,200 | \$ 141,190 | \$ 142,200 | \$ 144,400 | \$ 143,800 | | \$ 64,800 | 12.7% |
| Total Net Operating Levy | \$ 1,527,750 | \$ 1,522,580 | \$ 1,524,840 | \$ 1,556,750 | \$ 1,612,750 | \$ 1,619,570 | | \$ 91,820 | 6.0% |

- The Net Operating Levy related to the Sportsplex has resulted in an annual increase of only 1.2%.
- Salaries, wages and benefits represent 30% of the expenditures.
- Debt principal and interest represents 37% of the 2020 budget.
- Revenues have increased, on average, 12.7% annually primarily as a result of increases in lease revenues (Muskoka Limberettes).

Sportsplex – Variance Analysis

| Sportsplex | Budget to Actuals Variances | | | | | 3 Year Average |
|---------------------------------|-----------------------------|--------------------|------------------|-------------------|-------------------|-------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Operating | | | | | | |
| Salaries, Wages & Benefits | \$ 25,931 | \$ 9,926 | \$ 32,407 | \$ 38,098 | \$ 31,545 | \$ 34,000 |
| Contracted Services | \$ (14,709) | \$ 5,701 | \$ (14,226) | \$ (25,418) | \$ (22,283) | \$ (20,600) |
| Materials & Supplies | \$ (4,953) | \$ (3,308) | \$ (2,433) | \$ (6,187) | \$ 2,637 | \$ (2,000) |
| Utilities | \$ (20,427) | \$ (19,820) | \$ 2,102 | \$ 11,391 | \$ 10,071 | \$ 7,900 |
| Debt Charges | \$ 2,432 | \$ 4,067 | \$ 4,283 | \$ 4,500 | \$ 4,739 | \$ 4,500 |
| Misc Expenses | \$ (2,243) | \$ 13,676 | \$ (3,130) | \$ 10,336 | \$ 2,777 | \$ 3,300 |
| Total Operating Expenses | \$ (13,970) | \$ 10,242 | \$ 19,003 | \$ 32,719 | \$ 29,486 | \$ 27,100 |
| Total Operating Revenues | \$ (19,098) | \$ (22,215) | \$ 977 | \$ (4,269) | \$ (7,710) | \$ (3,700) |
| Total Net Operating Levy | \$ 5,128 | \$ 32,457 | \$ 18,026 | \$ 36,988 | \$ 37,196 | \$ 30,700 |

- Note: a positive number reflects a net underspending in expenditures. A negative revenue variance reflects where actual revenues have exceeded budgeted revenues. Over the past three years, there has been an annual average positive variance of \$30,700 in Sportsplex operations. Based on a review of the trends and the 2020 Budget, there appears to be limited opportunities for reductions in the net levy as the variances are driven by one-time events.
- Total revenues have exceeded the budget in the past two years. This is primarily related to vending revenues and conference room revenues that were higher than the budget.
- Utilities costs were lower than budget in 2019. Based on the 2020 Operating Budget, if this were to continue, there would be opportunities to reduce this expenditure line item.



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line Parks & Trails



Parks & Trails – Net Operating Levy

| Parks & Trails Operating | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % annual change 2015- |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------------|--------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 84,285 | \$ 142,135 | \$ 145,615 | \$ 145,290 | \$ 242,370 | \$ 260,130 | 36.0% | \$ 175,845 | 25.3% |
| Contracted Services | \$ 175,310 | \$ 198,895 | \$ 201,375 | \$ 225,330 | \$ 217,310 | \$ 242,100 | 33.5% | \$ 66,790 | 6.7% |
| Materials & Supplies | \$ 28,700 | \$ 52,850 | \$ 68,100 | \$ 60,400 | \$ 62,600 | \$ 56,200 | 7.8% | \$ 27,500 | 14.4% |
| Town Equipment | \$ 16,600 | \$ 24,200 | \$ 26,500 | \$ 31,050 | \$ 35,050 | \$ 37,800 | 5.2% | \$ 21,200 | 17.9% |
| Hired Equipment | \$ 13,200 | \$ 25,100 | \$ 33,530 | \$ 34,500 | \$ 33,500 | \$ 36,200 | 5.0% | \$ 23,000 | 22.4% |
| Misc Expenses | \$ 75,980 | \$ 41,580 | \$ 45,660 | \$ 45,870 | \$ 56,450 | \$ 89,180 | 12.4% | \$ 13,200 | 3.3% |
| Total Operating Expenses | \$ 394,075 | \$ 484,760 | \$ 520,780 | \$ 542,440 | \$ 647,280 | \$ 721,610 | 100.0% | \$ 327,535 | 12.9% |
| Total Operating Revenues | \$ 2,175 | \$ 22,400 | \$ 23,120 | \$ 25,400 | \$ 26,850 | \$ 13,550 | | \$ 11,375 | 44.2% |
| Total Net Operating Levy | \$ 391,900 | \$ 462,360 | \$ 497,660 | \$ 517,040 | \$ 620,430 | \$ 708,060 | | \$ 316,160 | 12.6% |

- On average, the Net Operating Levy has increased 12.6% annually from 2015-2020, reflecting program expansion and service level increases.
- Salaries, wages and benefits represent 36% of the expenditures and have increased annually, on average by 25.3% due to increases in staffing levels.
- Contracted services represents 33.5% of the expenditures and have also experienced an annual increase, on average of 6.7%.

Parks & Trails - Variance Analysis

| Parks & Trails Operating | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------------|-----------------------------|-----------------|-------------------|------------------|------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Salaries, Wages & Benefits | \$ 3,977 | \$ 20,874 | \$ 6,011 | \$ 4,488 | \$ 78,712 | \$ 29,700 |
| Contracted Services | \$ (12,557) | \$ (5,411) | \$ (9,811) | \$ (47) | \$ (7,701) | \$ (5,900) |
| Materials & Supplies | \$ (4,648) | \$ 5,240 | \$ 31,767 | \$ 20,943 | \$ 17,926 | \$ 23,500 |
| Town Equipment | \$ (3,812) | \$ 237 | \$ (10,690) | \$ (3,764) | \$ 11,999 | \$ (800) |
| Hired Equipment | \$ (3,060) | \$ (20,573) | \$ 9,208 | \$ 6,660 | \$ 4,478 | \$ 6,800 |
| Misc Expenses | \$ 26,185 | \$ 1,093 | \$ 6,534 | \$ (826) | \$ (28,413) | \$ (7,600) |
| Total Operating Expenses | \$ 6,084 | \$ 1,458 | \$ 33,020 | \$ 27,453 | \$ 77,001 | \$ 45,800 |
| Total Operating Revenues | \$ (3,188) | \$ (744) | \$ (3,279) | \$ 779 | \$ 14,059 | \$ 3,900 |
| Total Net Operating Levy | \$ 9,272 | \$ 2,202 | \$ 36,298 | \$ 26,673 | \$ 62,943 | \$ 42,000 |

Note: a positive number reflects a net underspending in expenditures. A negative revenue variance reflects where actual revenues have exceeded budgeted revenues.

- The actual Parks and Trails Net Operating Levy has consistently been below the budget from 2015-2019 but reflects an upward trend as a result on expansion of services and service levels.
- Variances between budgeted net expenditures and actual expenditures in the last three years have been \$41,000, on average, annually.
 - Materials and Supplies have been underspent by \$23,500, annually.
 - Salaries, benefits and wages should be reviewed as there has been an under expenditure of \$29,700 on average annually over the last three years. The 2020 budget has not been adjusted to reflect the lower actual cost of service. However, it should be noted that during this time, there has been an increase in contracted services.



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line

Other Facilities



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Other Facilities by Location

| Other Facilities Net Operating | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | Annual % 2015-2020 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------------|-----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Bird Mill Mews | \$ 14,640 | \$ 13,790 | \$ 11,550 | \$ 16,480 | \$ 6,430 | \$ 11,060 | 5.7% | \$ (3,580) | -5.5% |
| Oakley Village Square | \$ 5,730 | \$ 8,930 | \$ 8,940 | \$ 9,110 | \$ 15,140 | \$ 21,580 | 11.1% | \$ 15,850 | 30.4% |
| Train Station | \$ 900 | \$ 900 | \$ 550 | \$ 560 | \$ 560 | \$ 520 | 0.3% | \$ (380) | -10.4% |
| Woodchester Villa | \$ 92,750 | \$ 96,380 | \$ 97,420 | \$ 185,180 | \$ 184,090 | \$ 161,370 | 83.0% | \$ 68,620 | 11.7% |
| Total Operating Levy | \$ 114,020 | \$ 120,000 | \$ 118,460 | \$ 211,330 | \$ 206,220 | \$ 194,530 | 100.0% | \$ 80,510 | 11.3% |

- The Town has four other facilities (Woodchester Villa, Bird Mill Mews, Oakley Village Square) with a total net Operating Budget of \$194,530 in 2020.
- In total, the combined operating levy for these facilities have increased, on average, annually by 11.3%.

Other Facilities – Net Operating Levy

| Other Facilities Operating | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015-2020 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------------|---------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ - | \$ - | \$ - | \$ 38,120 | \$ 40,790 | \$ 40,290 | 17.2% | \$ 40,290 | 0.0% |
| Contracted Services | \$ 400 | \$ 5,600 | \$ 3,600 | \$ 32,600 | \$ 34,100 | \$ 19,600 | 8.4% | \$ 19,200 | 117.8% |
| Repair & Maintenance | \$ 16,000 | \$ 15,000 | \$ 19,000 | \$ 27,000 | \$ 30,000 | \$ 31,000 | 13.2% | \$ 15,000 | 14.1% |
| Utilities | \$ 37,500 | \$ 38,600 | \$ 36,750 | \$ 39,340 | \$ 34,290 | \$ 30,740 | 13.1% | \$ (6,760) | -3.9% |
| Financial Expense | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 | 29.9% | \$ - | 0.0% |
| Misc Expenses | \$ 22,120 | \$ 22,800 | \$ 23,510 | \$ 38,670 | \$ 46,440 | \$ 42,600 | 18.2% | \$ 20,480 | 14.0% |
| Total Operating Expenses | \$ 146,020 | \$ 152,000 | \$ 152,860 | \$ 245,730 | \$ 255,620 | \$ 234,230 | 100.0% | \$ 88,210 | 9.9% |
| Total Operating Revenues | \$ 32,000 | \$ 32,000 | \$ 34,400 | \$ 34,400 | \$ 49,400 | \$ 39,700 | | \$ 7,700 | 4.4% |
| Total Net Operating Levy | \$ 114,020 | \$ 120,000 | \$ 118,460 | \$ 211,330 | \$ 206,220 | \$ 194,530 | | \$ 80,510 | 11.3% |

- Salaries, wages and benefits represent 17% of the expenditures. A staff position was added in 2018.
- Financial expenses account for 30% of the expenditures and have remained the same since 2015. This is related to a self-financing repayment for Woodchester Villa.
- On average, the Net Operating Levy has increased 11.3% annually from 2015-2020, primarily as a result of the addition of a staff position, increases in repairs and maintenance and miscellaneous expenses.

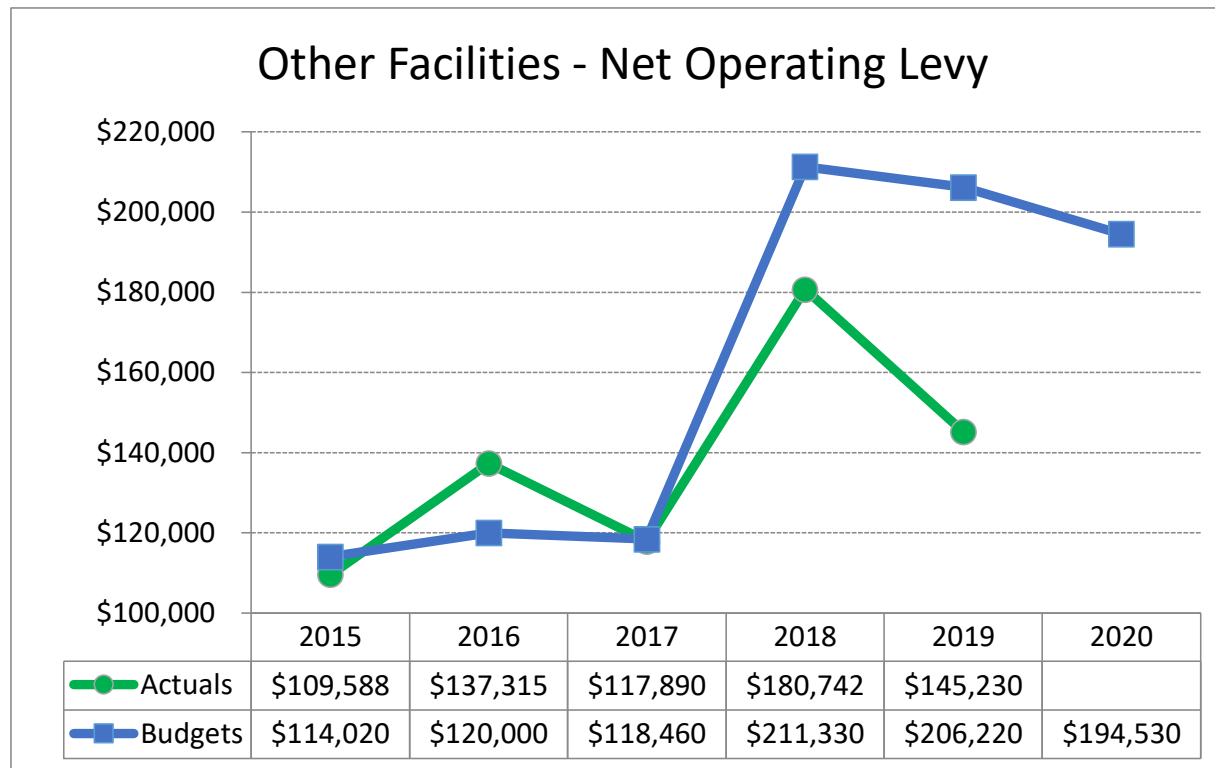
Other Facilities - Variance Analysis

| Other Facilities Operating | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------------|-----------------------------|--------------------|---------------|------------------|-------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Salaries, Wages & Benefits | \$ - | \$ - | \$ - | \$ 14,528 | \$ 9,460 | \$ 8,000 |
| Contracted Services | \$ (1,165) | \$ 3,516 | \$ 1,759 | \$ 14,603 | \$ 18,430 | \$ 11,600 |
| Repair & Maintenance | \$ (2,866) | \$ (16,596) | \$ (4,538) | \$ 6,649 | \$ 2,600 | \$ 1,600 |
| Utilities | \$ 3,641 | \$ 1,023 | \$ 4,562 | \$ 7,175 | \$ 9,166 | \$ 7,000 |
| Financial Expense | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Misc Expenses | \$ 5,369 | \$ (5,657) | \$ (1,214) | \$ (13,017) | \$ 17,914 | \$ 1,200 |
| Total Operating Expenses | \$ 4,979 | \$ (17,715) | \$ 570 | \$ 29,938 | \$ 57,570 | \$ 29,400 |
| Total Operating Revenues | \$ 548 | \$ (400) | \$ - | \$ (650) | \$ (3,420) | \$ (1,400) |
| Total Net Operating Levy | \$ 4,432 | \$ (17,315) | \$ 570 | \$ 30,588 | \$ 60,990 | \$ 30,700 |

Note: a positive number reflects an underspending in expenditures. A negative revenue variance reflects where actual revenues have exceeded budgeted revenues.

- The **Other Facilities** area has experienced, an annual \$30,700 in underspending.
- Based on a review of the trends and the 2020 Budget, there appears to be some opportunities to reduce the net levy in salaries, benefits and wages where there has been an under expenditure of \$8,000 on average annually over the last two years.
- Contracted Services were reduced in the 2020 Operating Budget and does not appears to reflect any further opportunities to reduce the budget.
- Utilities has been reduced annually in the budget and on an actual basis, continues to represents some potential opportunities to reduce the budget further by approximately \$5,000.

Other Facilities – Net Operating Levy



- The actual Other Facilities Net Operating Levy has been below the budget from 2015-2019 (except 2016) and reflects an upward trend in expenses in 2018 when a staff position was added.
- The variance in 2018 and 2019 was mainly the result of underspending in contract services and materials and supplies. The 2020 budget was reduced accordingly. Minor adjustments to the salaries, wages and benefits expenditures should be evaluated.

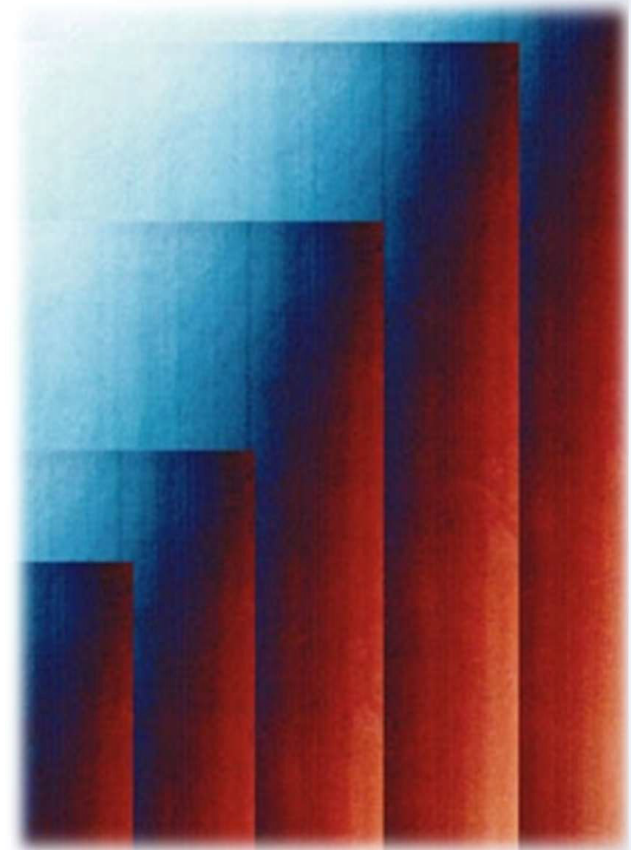


***Benchmarking
Recreation and Cultural
Services (Excluding Library)***

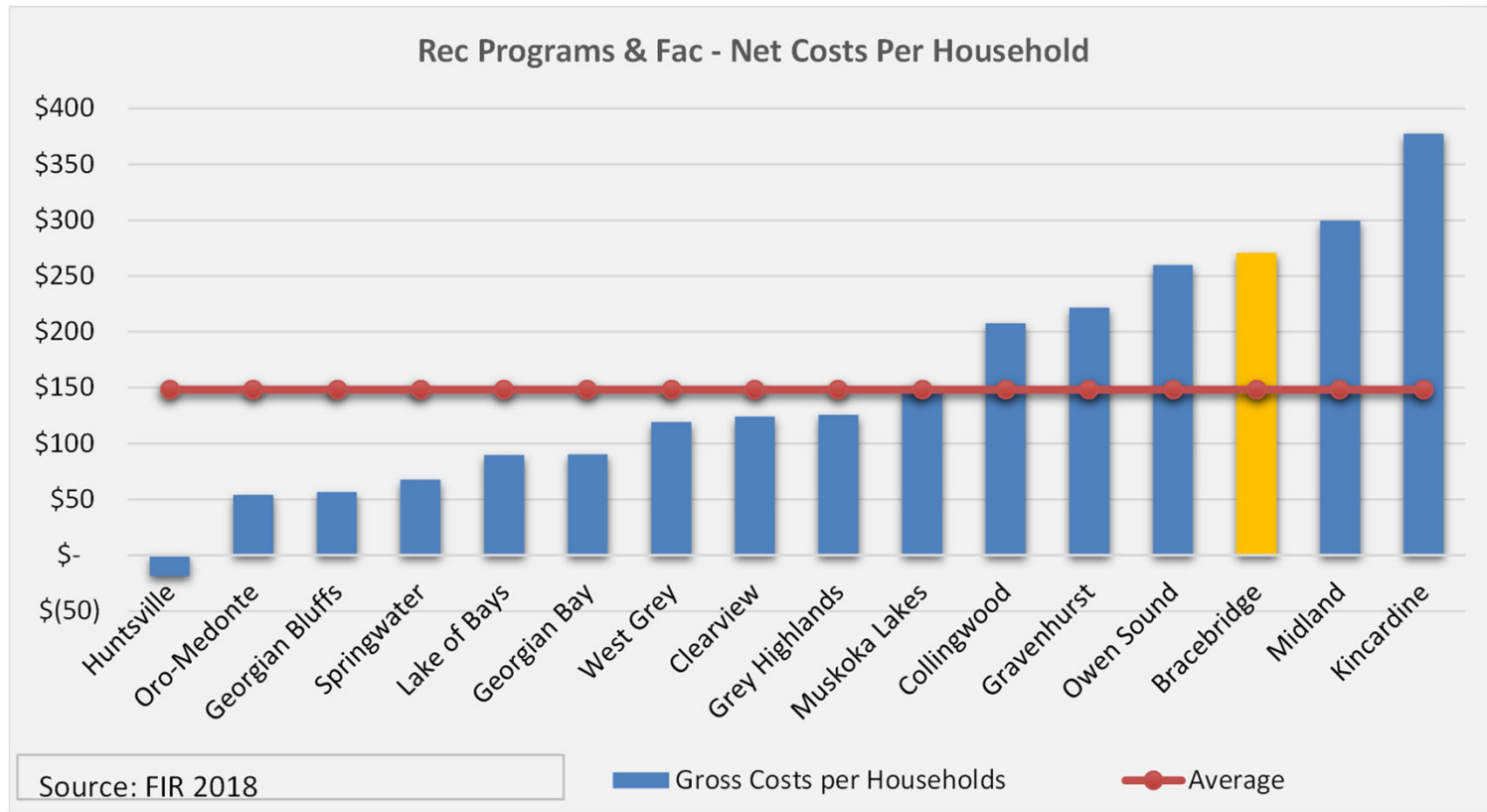
Municipal Comparative Data

Each municipality's results are influenced to varying degrees by a number of factors, including:

- Recreation facilities: Number of facilities, mix of facility types and age of facilities;
- Programming: Variety of recreation program types offered, number and extent of age groups with targeted programming; frequency and times of program offerings; class length; mix of instructional vs. drop-in vs. permitted programming;
- Transportation: Access and the number of program locations; and
- Collective agreements: Differences in wage rates and staffing structures.

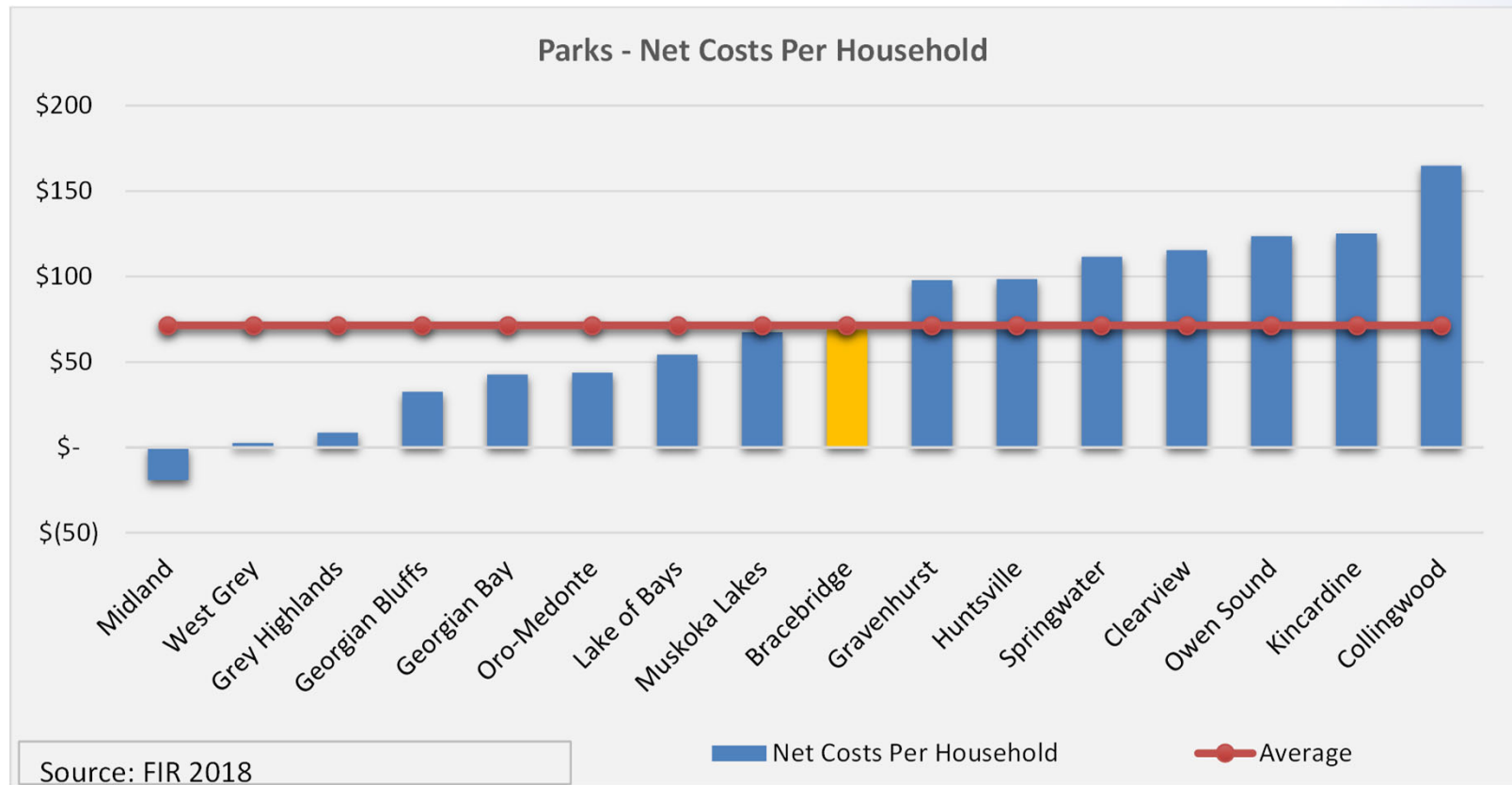


Recreation Programs and Facilities – Net Costs Per Household – 2018 FIR



- Recreation Programs and Facilities net costs in Bracebridge are above the peer survey on a per household basis.

Parks – Net Costs Per Household – 2018 FIR



- Parks net costs in Bracebridge are at the peer survey on a per household basis.



BRACEBRIDGE
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Line-by-Line Library



Library – Background Information

Services and Portfolio

- The Bracebridge Public Library provides access to materials and resources for the educational, recreational and business needs of the community.
- Bracebridge Public Library addresses the aforementioned needs via collections of assorted materials, reference services of skilled, educated staff, and various informative and/or entertaining programs.
- Library services include Internet training, public Internet access, interlibrary-loans and special-needs services.
- The Library provides services to over 7,500 library cardholders, as well as walk-in patrons.
- In 2019, over 6,000 people used the public computers with approximately 3,000 coming in to use the wireless service. Programs for adults and children in 2019 saw over 5,600 attendees.

Library – Net Operating Levy

| Library Operating | Budget | | | | | | % of Total 2020 | \$ change 2015-2020 | % annual change 2015-2020 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|---------------------|---------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 589,000 | \$ 556,200 | \$ 577,360 | \$ 584,270 | \$ 659,640 | \$ 675,850 | 73.6% | \$ 86,850 | 2.8% |
| Materials & Supplies | \$ 49,100 | \$ 54,000 | \$ 65,750 | \$ 65,150 | \$ 69,750 | \$ 69,300 | 7.5% | \$ 20,200 | 7.1% |
| Repair & Maintenance | \$ 42,000 | \$ 43,000 | \$ 25,000 | \$ 21,000 | \$ 28,500 | \$ 15,000 | 1.6% | \$ (27,000) | -18.6% |
| I.T Support | \$ 89,000 | \$ 93,600 | \$ 93,280 | \$ 101,060 | \$ 103,350 | \$ 107,380 | 11.7% | \$ 18,380 | 3.8% |
| Minor Capital | \$ 4,000 | \$ 4,000 | \$ 8,000 | \$ 4,000 | \$ 4,000 | \$ 8,500 | 0.9% | \$ 4,500 | 16.3% |
| Transfer To/From Reserve | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ - | |
| Studies and Plans | \$ - | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 2,000 | \$ 2,000 | 0.2% | \$ 2,000 | 0.0% |
| Insurance | \$ 4,200 | \$ 5,100 | \$ 5,230 | \$ 4,660 | \$ 4,850 | \$ 4,390 | 0.5% | \$ 190 | 0.9% |
| Financial Expense | \$ 1,000 | \$ 700 | \$ 600 | \$ 600 | \$ 600 | \$ 700 | 0.1% | \$ (300) | -6.9% |
| Program Expenses | \$ 1,500 | \$ 2,000 | \$ 2,000 | \$ 3,000 | \$ 2,500 | \$ 2,500 | 0.3% | \$ 1,000 | 10.8% |
| Utilities | \$ 22,600 | \$ 22,900 | \$ 22,350 | \$ 23,240 | \$ 20,950 | \$ 18,800 | 2.0% | \$ (3,800) | -3.6% |
| Misc Expenses | \$ 7,400 | \$ 8,900 | \$ 10,400 | \$ 11,040 | \$ 12,340 | \$ 14,300 | 1.6% | \$ 6,900 | 14.1% |
| Total Operating Expenses | \$ 809,800 | \$ 795,400 | \$ 814,970 | \$ 823,020 | \$ 908,480 | \$ 918,720 | 100.0% | \$ 108,920 | 2.6% |
| Recovery Revenue | \$ 66,900 | \$ 16,400 | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ (66,900) | -100.0% |
| Grants | \$ 32,800 | \$ 32,800 | \$ 37,100 | \$ 32,900 | \$ 33,000 | \$ 33,000 | 54.1% | \$ 200 | 0.1% |
| Fines | \$ 14,000 | \$ 13,000 | \$ 13,000 | \$ 13,000 | \$ 13,000 | \$ 13,000 | 21.3% | \$ (1,000) | -1.5% |
| Transfer To/From Reserve | \$ - | \$ - | \$ 5,000 | \$ 5,000 | \$ - | \$ 2,000 | 3.3% | \$ 2,000 | 0.0% |
| Donations | \$ 2,600 | \$ 4,600 | \$ 5,200 | \$ 4,800 | \$ 5,000 | \$ 5,200 | 8.5% | \$ 2,600 | 14.9% |
| Miscellaneous Revenues | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ - | |
| Total Operating Revenues | \$ 124,300 | \$ 74,500 | \$ 68,700 | \$ 64,200 | \$ 58,900 | \$ 61,050 | 100.0% | \$ (63,250) | -13% |
| Total Net Operating Levy | \$ 685,500 | \$ 720,900 | \$ 746,270 | \$ 758,820 | \$ 849,580 | \$ 857,670 | | \$ 172,170 | 4.6% |

- Total operating net expenses have increased, on average by 4.6% annually.

Library – Variance Analysis

| Library Operating | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------------|-----------------------------|--------------------|-------------------|-------------------|-------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Salaries, Wages & Benefits | \$ 6,398 | \$ 1,726 | \$ 22,551 | \$ 22,883 | \$ 21,083 | \$ 22,200 |
| Materials & Supplies | \$ (718) | \$ 3,019 | \$ 5,073 | \$ 6,820 | \$ 6,420 | \$ 6,100 |
| Repair & Maintenance | \$ 24,602 | \$ 498 | \$ 4,974 | \$ 9,554 | \$ (2,405) | \$ 4,000 |
| I.T Support | \$ (556) | \$ 7,732 | \$ (11,008) | \$ 9,111 | \$ (1,327) | \$ (1,100) |
| Minor Capital | \$ 296 | \$ 122 | \$ 743 | \$ (346) | \$ 252 | \$ 200 |
| Transfer To/From Reserve | \$ - | \$ (5,000) | \$ - | \$ - | \$ (2,000) | \$ (700) |
| Studies and Plans | \$ - | \$ 5,000 | \$ 5,000 | \$ (3,675) | \$ 2,000 | \$ 1,100 |
| Insurance | \$ (7) | \$ 25 | \$ 1 | \$ 1 | \$ (0) | \$ - |
| Financial Expense | \$ 434 | \$ 184 | \$ (21) | \$ (125) | \$ (211) | \$ (100) |
| Program Expenses | \$ (419) | \$ (8) | \$ (1,546) | \$ 934 | \$ 325 | \$ (100) |
| Utilities | \$ 2,080 | \$ (725) | \$ 790 | \$ 4,264 | \$ 5,491 | \$ 3,500 |
| Misc Expenses | \$ (392) | \$ (1) | \$ 3,008 | \$ 4,886 | \$ 1,713 | \$ 3,200 |
| Total Operating Expenses | \$ 31,720 | \$ 12,572 | \$ 29,566 | \$ 54,305 | \$ 31,342 | \$ 38,400 |
| Recovery Revenue | \$ 66,900 | \$ 16,400 | \$ - | \$ - | \$ - | \$ - |
| Grants | \$ 32,800 | \$ 32,800 | \$ 37,100 | \$ 32,900 | \$ 33,000 | \$ 34,300 |
| Fines | \$ 14,000 | \$ 13,000 | \$ 13,000 | \$ 13,000 | \$ 13,000 | \$ 13,000 |
| Transfer To/From Reserve | \$ - | \$ - | \$ 5,000 | \$ 5,000 | \$ - | \$ 3,300 |
| Donations | \$ 2,600 | \$ 4,600 | \$ 5,200 | \$ 4,800 | \$ 5,000 | \$ 5,000 |
| Miscellaneous Revenues | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Operating Revenues | \$ (20,754) | \$ (12,604) | \$ (2,165) | \$ (1,430) | \$ (3,457) | \$ (2,400) |
| Total Net Operating Levy | \$ 52,473 | \$ 25,176 | \$ 31,731 | \$ 55,735 | \$ 34,799 | \$ 40,800 |

Note: a positive number reflects an underspending in expenditures. A negative revenue variance reflects where actual revenues have exceeded budgeted revenues.

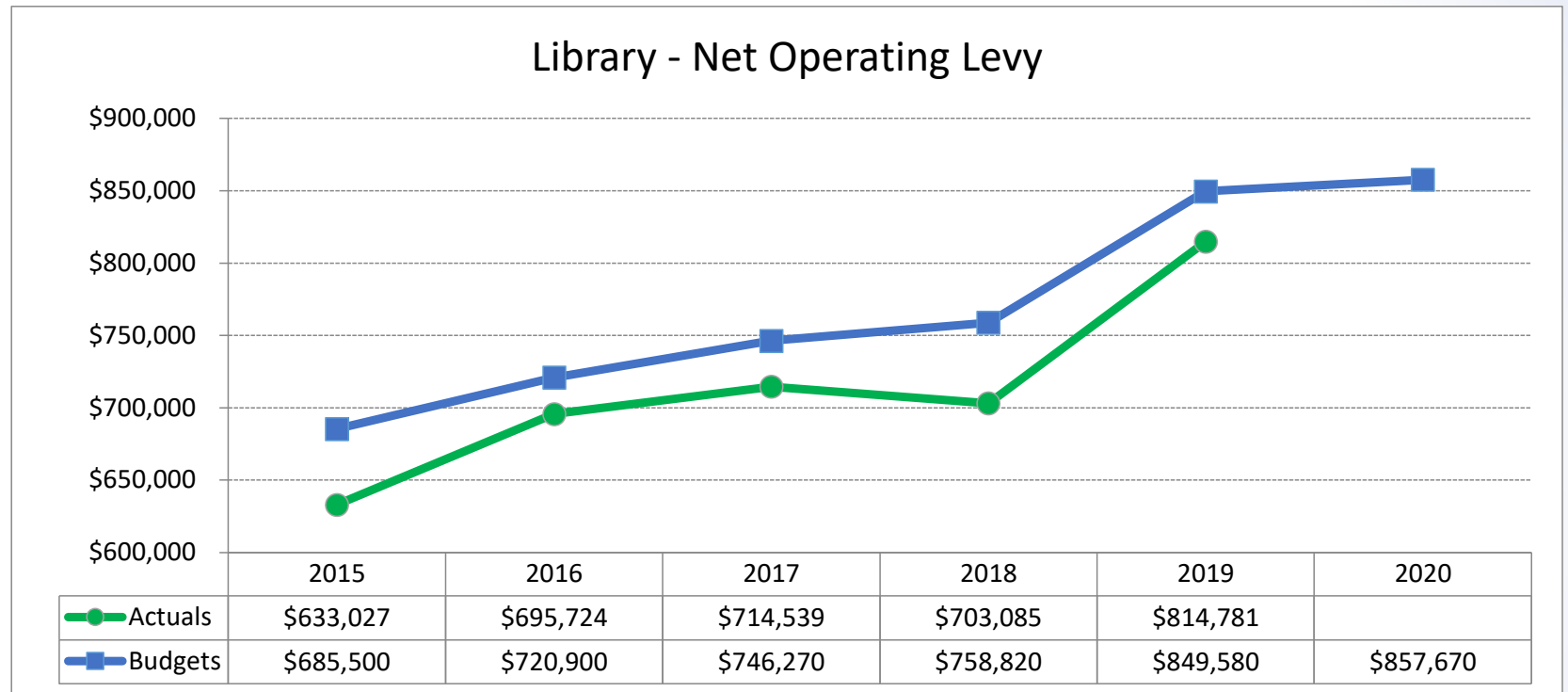
Library – Variance Analysis

Library operations has experienced, an average annual underspending of \$41,000 over the past three years, primarily as a result of salaries and wages which were under budget due to employee absences.

Based on a review of the trends and the 2020 Operating Budget, there appears to be some opportunities to reduce the net levy in the following areas:

- Materials and supplies have been underspent by \$6,100, annually.
- Utilities expenses have been underspent by \$3,500, annually.
- Miscellaneous expenses have been underspent by \$3,200, annually.

Library – Net Operating Levy



- The annual net levy has been slightly underspent over the past 5 years.
- The average annual net under expenditures in the last 3 years is approximately \$40,000. This is primarily in salaries, wages and benefits and materials and supplies. There may be an opportunity to reduce the budget in these areas.

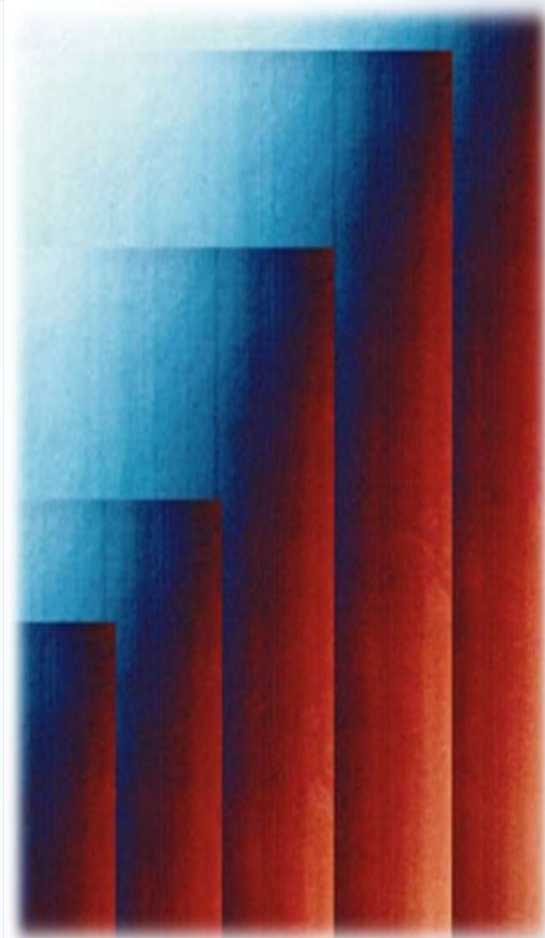


***Benchmarking
Library***

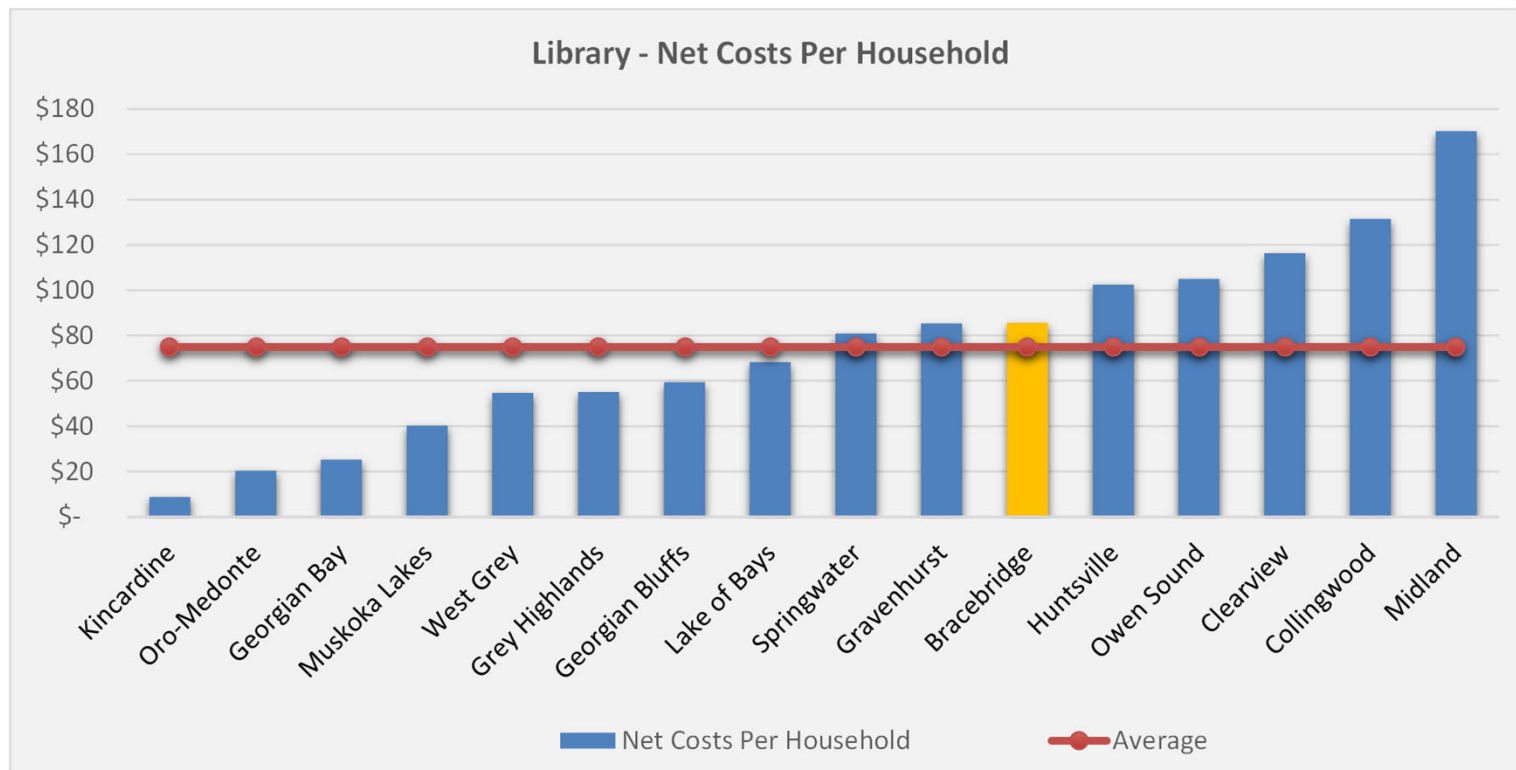
Municipal Comparative Data

There are a number of factors that impact the delivery of service and the staffing requirements including, but not limited to:

- Number and size of branches and the hours of operation, i.e. municipalities with lower population densities may offer more physical library branches with lower service hours in satellite branches to provide residents with services within a reasonable distance;
- Extent of outreach;
- Reliance on volunteers and part-time staff;
- Socio-economic and cultural make-up of the population served impacts library usage and the type of staffing resources required to meet the community's unique needs;
- Level of connectivity will impact services offered as well as patronage to the libraries, which in turn impacts staffing levels; and
- Presence of a university or other secondary institutions.



Library – Net Costs Per Household – 2018 FIR



- Library net costs are slight above the peer survey on a per household basis but are comparable to Gravenhurst and lower than Huntsville.



BRACEBRIDGE
The Heart of Muskoka

Planning & Development



Planning and Development – Summary by Business Unit

| Planning and Development Services Operating | Budget | | | | | | % of Total 2020 | \$ change 2015-2020 | % annual change 2015 2020 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|------------------------|---------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Building Services | \$ 119,130 | \$ 80,690 | \$ 61,940 | \$ - | \$ - | \$ - | 0.0% | \$ (119,130) | -100.0% |
| Community Improvement Plan | \$ 35,000 | \$ 35,000 | \$ 100,000 | \$ 100,000 | \$ 105,340 | \$ 125,860 | 8.7% | \$ 90,860 | 29.2% |
| Economic Development | \$ 470,420 | \$ 453,875 | \$ 488,820 | \$ 544,450 | \$ 541,200 | \$ 544,130 | 37.7% | \$ 73,710 | 3.0% |
| Muskoka Small Business Centre | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ - | |
| Planning Services | \$ 582,430 | \$ 551,950 | \$ 548,660 | \$ 505,590 | \$ 504,120 | \$ 538,420 | 37.3% | \$ (44,010) | -1.6% |
| Community Support | \$ 233,970 | \$ 152,920 | \$ 175,780 | \$ 193,060 | \$ 228,930 | \$ 235,920 | 16.3% | \$ 1,950 | 0.2% |
| Total Net Operating | \$ 1,440,950 | \$ 1,274,435 | \$ 1,375,200 | \$ 1,343,100 | \$ 1,379,590 | \$ 1,444,330 | 100.0% | \$ 3,380 | 0.0% |
| Total Net Capital Levy | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - | |
| Net Operating and Capital Levy | \$ 1,440,950 | \$ 1,274,435 | \$ 1,375,200 | \$ 1,343,100 | \$ 1,379,590 | \$ 1,444,330 | | \$ 3,380 | 0.0% |

- Planning & Development includes Building Services, Community Improvement, Economic Development, Muskoka Small Business Centre, Planning and Community Support.
- Economic Development comprises 38% of the P&D Net Operating Levy in 2020 and Planning Services approximately 37%.
- The Community Improvement Plan has experienced the greatest increase over the past 6 years, growing from \$35,000 in 2015 to \$125,860 in 2020.
- The average annualized % change from 2015-2020 is 0.0% on the Net Operating Levy. The movement to a fully funded Building Services from building permit fees has positively impacted the levy as has an increase in planning revenues to offset inflationary costs.

Planning and Development – Variance Analysis

| Planning and Development Services Operating | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---|-----------------------------|------------------|-------------------|-------------------|-------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Building Services | \$ 56,761 | \$ 74,572 | \$ 61,940 | \$ - | \$ - | \$ 20,600 |
| Community Improvement Plan | \$ - | \$ - | \$ 2,215 | \$ 5,597 | \$ 12,038 | \$ 6,600 |
| Economic Development | \$ 36,718 | \$ 5,301 | \$ 58,248 | \$ 6,371 | \$ 13,612 | \$ 26,100 |
| Muskoka Small Business Centre | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning Services | \$ 115,087 | \$ 25,685 | \$ 2,828 | \$ 104,075 | \$ 66,808 | \$ 57,900 |
| Community Support | \$ 8,565 | \$ (10,954) | \$ 16,708 | \$ (13,615) | \$ 7,753 | \$ 3,600 |
| Total Net Operating | \$ 217,130 | \$ 94,604 | \$ 141,939 | \$ 102,428 | \$ 100,211 | \$ 114,900 |

Note: a positive number reflects a net underspending. Limited opportunities were identified to reduce the cost of service. The following summarizes the areas where potential opportunities were identified.

Building Services

- Currently, the Town does not include in the Building Budget cost allocations for corporate supports (E.g. Council, Administration, Finance) which is a common practice in other jurisdictions to reflect the full cost of service. Implementing this practice would reduce the over net levy as these costs would be recovered from fees. This could be in the range of \$0-\$36,000 (assumed a 5% corporate overhead which is low).

Planning Services

- Legal fees in the last three years have been below the budget. This may represent a minor opportunity to reduce the budget (\$0-\$7,000).
- Planning and Consent Revenues have exceeded budgets in the past three years and reflects an opportunity to reset the budget and review assumptions based on future forecast planning activity. Based on historical trends, this could reduce the levy in the range of \$0-\$10,000.

Planning & Development – Summary by Operating Object of Expenditure/Revenue

| Operating Planning and Development | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015-2020 |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------|---------------------|---------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 1,273,100 | \$ 1,324,900 | \$ 1,350,780 | \$ 1,371,530 | \$ 1,393,800 | \$ 1,573,430 | 59.6% | \$ 300,330 | 4.3% |
| Contracted Services | \$ 205,200 | \$ 179,000 | \$ 185,460 | \$ 162,160 | \$ 146,780 | \$ 130,500 | 4.9% | \$ (74,700) | -8.7% |
| Grants | \$ 125,620 | \$ 127,420 | \$ 294,370 | \$ 325,620 | \$ 296,490 | \$ 342,480 | 13.0% | \$ 216,860 | 22.2% |
| Transfer To/From Reserve | \$ 105,000 | \$ 5,000 | \$ - | \$ - | \$ 36,410 | \$ 13,600 | 0.5% | \$ (91,400) | -33.6% |
| I.T Support | \$ 84,400 | \$ 92,600 | \$ 99,860 | \$ 107,720 | \$ 110,710 | \$ 107,230 | 4.1% | \$ 22,830 | 4.9% |
| Legal | \$ 75,000 | \$ 50,000 | \$ 40,000 | \$ 90,000 | \$ 65,000 | \$ 65,000 | 2.5% | \$ (10,000) | -2.8% |
| Marketing | \$ 15,000 | \$ 15,000 | \$ 31,700 | \$ 45,000 | \$ 40,000 | \$ 34,000 | 1.3% | \$ 19,000 | 17.8% |
| Events Expense | \$ 41,500 | \$ 57,500 | \$ 77,300 | \$ 52,000 | \$ 68,800 | \$ 58,900 | 2.2% | \$ 17,400 | 7.3% |
| Misc Expenses | \$ 340,520 | \$ 313,865 | \$ 280,790 | \$ 258,070 | \$ 246,170 | \$ 312,930 | 11.9% | \$ (27,590) | -1.7% |
| Total Operating Expenses | \$ 2,265,340 | \$ 2,165,285 | \$ 2,360,260 | \$ 2,412,100 | \$ 2,404,160 | \$ 2,638,070 | 100.0% | \$ 372,730 | 3.1% |
| Building Revenues | \$ 294,500 | \$ 414,500 | \$ 442,000 | \$ 552,500 | \$ 663,000 | \$ 724,210 | 60.7% | \$ 429,710 | 19.7% |
| Planning Revenues | \$ 129,020 | \$ 125,475 | \$ 118,900 | \$ 135,280 | \$ 149,450 | \$ 149,700 | 12.5% | \$ 20,680 | 3.0% |
| Grants | \$ 203,880 | \$ 202,050 | \$ 247,250 | \$ 239,850 | \$ 113,880 | \$ 163,380 | 13.7% | \$ (40,500) | -4.3% |
| Program and Events Revenues | \$ 33,600 | \$ 20,000 | \$ 4,700 | \$ 3,200 | \$ 13,200 | \$ 6,200 | 0.5% | \$ (27,400) | -28.7% |
| Misc. Revenues | \$ 163,390 | \$ 128,825 | \$ 172,210 | \$ 138,170 | \$ 85,040 | \$ 150,250 | 12.6% | \$ (13,140) | -1.7% |
| Total Operating Revenues | \$ 824,390 | \$ 890,850 | \$ 985,060 | \$ 1,069,000 | \$ 1,024,570 | \$ 1,193,740 | 100.0% | \$ 369,350 | 7.7% |
| Total Net Operating Levy | \$ 1,440,950 | \$ 1,274,435 | \$ 1,375,200 | \$ 1,343,100 | \$ 1,379,590 | \$ 1,444,330 | | \$ 3,380 | 0.0% |

- 60% of the Operating Expenditures are related to Salaries, Wages & Benefits, which have increased, on average 4.3% annually
- Operating Revenues have increased, on average 7.7% annually, primarily driven by Building Services which has experienced significant increases over the past 5 years.

Planning and Development – Variance Analysis

| Operating Planning and Development | Budget to Actuals Variances | | | | | 3 Year Average |
|------------------------------------|-----------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Salaries, Wages & Benefits | \$ 88,437 | \$ 61,968 | \$ 46,134 | \$ 57,219 | \$ 79,304 | \$ 60,900 |
| Contracted Services | \$ 26,186 | \$ 30,439 | \$ 13,532 | \$ (1,143) | \$ 18,149 | \$ 10,200 |
| Grants | \$ (23,131) | \$ (98,567) | \$ 7,782 | \$ 15,435 | \$ 2,681 | \$ 8,600 |
| Transfer To/From Reserve | \$ (96,242) | \$ (120,426) | \$ (183,204) | \$ (248,918) | \$ (260,921) | \$ (231,000) |
| I.T Support | \$ 7,540 | \$ 1,912 | \$ 292 | \$ 9,074 | \$ 8,799 | \$ 6,100 |
| Legal | \$ 44,928 | \$ 10,531 | \$ 1,775 | \$ 18,612 | \$ 16,696 | \$ 12,400 |
| Marketing | \$ 6,766 | \$ (134) | \$ (12,729) | \$ 2,081 | \$ 8,105 | \$ (800) |
| Events Expense | \$ 1,798 | \$ 4,656 | \$ 8,930 | \$ 2,403 | \$ 16,349 | \$ 9,200 |
| Misc Expenses | \$ 149,361 | \$ 151,068 | \$ 63,109 | \$ 54,172 | \$ 63,286 | \$ 60,200 |
| Total Operating Expenses | \$ 205,644 | \$ 41,447 | \$ (54,379) | \$ (91,065) | \$ (47,551) | \$ (64,300) |
| Building Revenues | \$ (85,174) | \$ (25,835) | \$ (222,752) | \$ (238,346) | \$ (126,293) | \$ (195,800) |
| Planning Revenues | \$ (4,112) | \$ (1,460) | \$ (13,343) | \$ (39,263) | \$ (22,178) | \$ (24,900) |
| Grants | \$ 27,767 | \$ (1,098) | \$ 11,451 | \$ 17,291 | \$ (57,196) | \$ (9,500) |
| Program and Events Revenues | \$ (756) | \$ 2,160 | \$ (16,689) | \$ (8,713) | \$ 4,051 | \$ (7,100) |
| Misc. Revenues | \$ 50,788 | \$ (26,925) | \$ 45,016 | \$ 75,537 | \$ 53,852 | \$ 58,100 |
| Total Operating Revenues | \$ (11,487) | \$ (53,157) | \$ (196,317) | \$ (193,494) | \$ (147,763) | \$ (179,200) |
| Total Net Operating Levy | \$ 217,130 | \$ 94,604 | \$ 141,939 | \$ 102,428 | \$ 100,211 | \$ 114,900 |

- Salaries, wages and benefits has been consistently been underspent due to vacancies.
- Legal expenses have also been underspent.

Planning and Development – Variance Analysis

While a five year trend analysis has been included, the primary focus was on the last three years to provide an understanding of areas where opportunities may exist to reduce the net levy based on the budget to actual variance analysis.

The following summarizes the potential savings related to full cost recovery in Planning and Development related to corporate cost allocations, increases in planning revenues to reflect actual revenues generated and the potential to reduce the budget for legal fees which have been underspent.

Planning and Development
Potential opportunities for levy reduction
Range \$0 - \$52,000



***Detailed Analysis
Planning & Development***



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line Planning Services



Planning Services – Background Information

Services and Portfolio

Planning key responsibilities include:

- Land use planning in accordance with the Town's Official Plan
- Review and administration of applications for planning approvals in accordance with the Town's Official Plan, Zoning By-law, and a variety of other policies and matters under various pieces of Provincial legislation, including the Planning Act; Municipal Act; Development Charges Act; Ontarians with Disabilities Act; and the Provincial Offences Act.
- Administration and planning related functions with respect to the Committee of Adjustment for Consents and the Committee of Adjustment for Minor Variances are also the responsibility of the Planning Services Branch.
- Responsible for the administration, development, maintenance, training and implementation of Geographic Information Systems (GIS), as well as the GIS database program.

Planning Services - Net Operating Levy

| Planning Services Operating | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015- 2020 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 522,600 | \$ 563,800 | \$ 564,880 | \$ 490,950 | \$ 506,650 | \$ 562,990 | 77.0% | \$ 40,390 | 1.5% |
| I.T Support | \$ 32,800 | \$ 38,900 | \$ 41,380 | \$ 45,430 | \$ 45,870 | \$ 47,100 | 6.4% | \$ 14,300 | 7.5% |
| Studies and Plans | \$ 50,000 | \$ 36,000 | \$ 15,000 | \$ - | \$ 20,000 | \$ 40,000 | 5.5% | \$ (10,000) | -4.4% |
| Legal | \$ 55,000 | \$ 30,000 | \$ 30,000 | \$ 75,000 | \$ 50,000 | \$ 50,000 | 6.8% | \$ (5,000) | -1.9% |
| Misc Expenses | \$ 54,150 | \$ 46,625 | \$ 32,600 | \$ 37,190 | \$ 35,250 | \$ 30,730 | 4.2% | \$ (23,420) | -10.7% |
| Total Operating Expenses | \$ 714,550 | \$ 715,325 | \$ 683,860 | \$ 648,570 | \$ 657,770 | \$ 730,820 | 100.0% | \$ 16,270 | 0.5% |
| Misc Revenue | \$ 3,100 | \$ 1,900 | \$ 1,300 | \$ 6,200 | \$ 2,700 | \$ 2,700 | 1.4% | \$ (400) | -2.7% |
| Transfer To/From Reserve | \$ - | \$ 36,000 | \$ 15,000 | \$ 1,500 | \$ 1,500 | \$ 40,000 | 20.8% | \$ 40,000 | 0.0% |
| Planning Revenues | \$ 110,320 | \$ 95,725 | \$ 95,400 | \$ 103,650 | \$ 117,450 | \$ 116,450 | 60.5% | \$ 6,130 | 1.1% |
| Consent Revenues | \$ 18,700 | \$ 29,750 | \$ 23,500 | \$ 31,630 | \$ 32,000 | \$ 33,250 | 17.3% | \$ 14,550 | 12.2% |
| Total Operating Revenues | \$ 132,120 | \$ 163,375 | \$ 135,200 | \$ 142,980 | \$ 153,650 | \$ 192,400 | 100.0% | \$ 60,280 | 7.8% |
| Total Net Operating Levy | \$ 582,430 | \$ 551,950 | \$ 548,660 | \$ 505,590 | \$ 504,120 | \$ 538,420 | | \$ (44,010) | -1.6% |

- Expenses have increased, on average, annually by 0.5% and revenues have increased by 7.8% annually.
- Total Net Operating Levy decreased, on average 1.6% annually from 2015-2020 for a total change of \$44,010.
- 77% of the total expenditures are related to salaries, wages and benefits which have increased, on average by 1.5% annually.
- In 2020, a new position was budgeted (Planning Technician) to assist with application processing and technical support which is expected by the end of 2020.

Planning Services – Variance Analysis

| Planning Services Operating | Budget to Actuals Variances | | | | | 3 Year Average |
|---------------------------------|-----------------------------|------------------|-------------------|--------------------|--------------------|--------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Salaries, Wages & Benefits | \$ 52,967 | \$ 27,510 | \$ 74 | \$ 55,160 | \$ 22,339 | \$ 25,900 |
| I.T Support | \$ (3,352) | \$ (35) | \$ (4,615) | \$ 1,060 | \$ (543) | \$ (1,400) |
| Studies and Plans | \$ 36,053 | \$ 21,286 | \$ 1,471 | \$ - | \$ - | \$ 500 |
| Legal | \$ 37,900 | \$ (3,644) | \$ 943 | \$ 6,493 | \$ 12,204 | \$ 6,500 |
| Misc Expenses | \$ (11,787) | \$ (597) | \$ 3,881 | \$ 5,617 | \$ 9,331 | \$ 6,300 |
| Total Operating Expenses | \$ 111,781 | \$ 44,519 | \$ 1,754 | \$ 68,329 | \$ 43,331 | \$ 37,800 |
| Misc Revenue | \$ 806 | \$ (992) | \$ (2,730) | \$ 2,017 | \$ (1,300) | \$ (700) |
| Transfer To/From Reserve | \$ - | \$ 21,286 | \$ 15,000 | \$ 1,500 | \$ - | \$ 5,500 |
| Planning Revenues | \$ 9,323 | \$ 1,833 | \$ 297 | \$ (4,243) | \$ (19,978) | \$ (8,000) |
| Consent Revenues | \$ (13,435) | \$ (3,292) | \$ (13,640) | \$ (35,021) | \$ (2,200) | \$ (17,000) |
| Total Operating Revenues | \$ (3,306) | \$ 18,834 | \$ (1,074) | \$ (35,746) | \$ (23,478) | \$ (20,100) |
| Total Net Operating Levy | \$ 115,087 | \$ 25,685 | \$ 2,828 | \$ 104,075 | \$ 66,808 | \$ 57,900 |

Note: a positive number reflects a net underspending in expenditures. A negative revenue variance reflects where actual revenues have exceeded budgeted revenues.

- Salaries, wages and benefits reflects an underspending in the last two years as a result of vacancies.
- Legal fees in the last three years have been below the budget. This may represent a minor opportunity to reduce the budget (\$0-\$7,000).
- Planning and Consent Revenues have exceeded budgets in the past three years and reflects an opportunity to reset the budget and review assumptions based on future forecast planning activity. Based on historical trends, this could reduce the levy in the range of \$0-\$10,000.

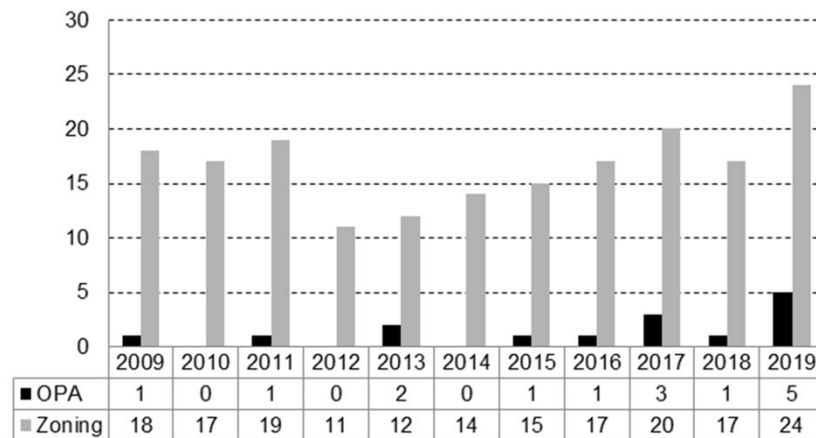
Planning Services – Key Findings and Observations

- Excluding studies and plans and the offset from reserves, planning revenues account for 22% of expenditures. The median of 60 Ontario municipalities was 37% revenue recovery. A planning user fee study may increase planning revenues by 10%-15%.
- Modernization of the Planning and Building Application process – there is a pending project to investigate opportunities to modernize the building and planning process and move toward online applications and the implementation of new software to support the processes. Over the past several years, municipalities have been moving toward streamlining application processes in planning and reducing the duplication of efforts, delegation of authorities and working more collaboratively within two tiered structures. It is anticipated that this will create efficiencies in the work processes as well as improved customer service.
- There are opportunities to work with other Muskoka municipalities to implement new processes and software solutions.
- The Town is in the process of undertaking reviews of By-laws including a Comprehensive Zoning Bylaw and Site Plan Control By-law & Site Plan Guidelines. These reviews, once completed can create efficiencies in the operations and improve customer service.
- The Town is commencing the 10-year review of the 2013 Official Plan, as mandated by the Planning Act, to ensure consistency with provincial policy documents and conformity with the District of Muskoka Official Plan. This is a labour intensive project and will require public consultation over the next several years.

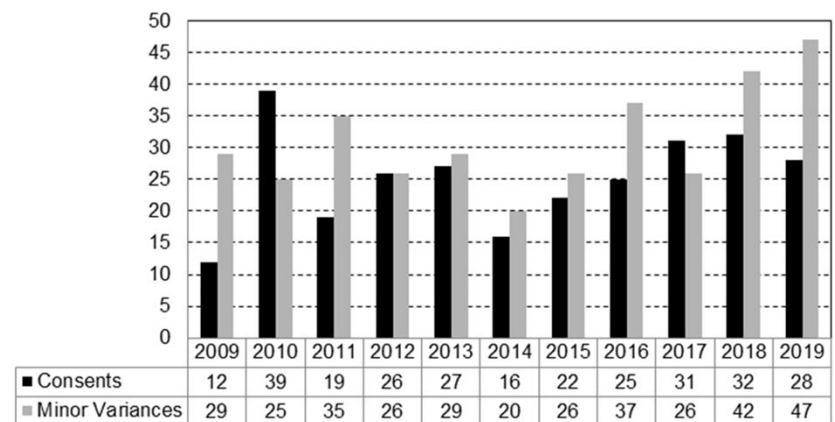
Planning Services Annual Activity Report

The Town provides a detailed annual report of planning and building activity to provide the following:

- As a measure of economic activity in the community;
- To promote the value of services and activities;
- To measure progress in areas such as Woodchester Villa, Community Improvement Plan, etc.;
- To estimate resource requirements for the annual budget and business plan; and
- To demonstrate to investors that Bracebridge is open for business and that great things are happening here



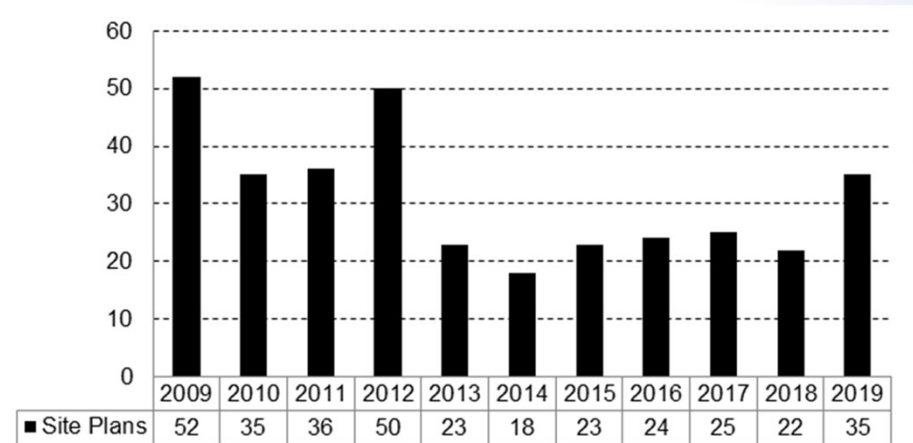
OPA and Zoning applications are generally increasing since 2014



Minor variance and consent applications vary year by year but are also reflective of an upward trend

Planning Activity Report – Trend Analysis

- Site plans have a number of delegated authorities which helps expedite the processes. Council has delegated authority for Site Plan Approvals as follows:
 - low density residential developments (detached dwellings, duplex dwellings, semi-detached dwellings);
 - shore road allowances;
 - amendments to low density residential developments;
 - high-density residential developments; and
 - non-residential developments that are 600 square metres (6,458 square feet) or less.
 - minor developments or site re-development which does not require site plan approval due to the limited nature of the proposal
- Increased delegated authority will help reduce planning application processing times and is a practice that has been successful in other jurisdictions including Huntsville. This should be explored for large site plans which has a long process with steps in the process that do not add value. Other opportunities include reviewing the comments on consent and subdivisions. These options are recommended to improve customer service

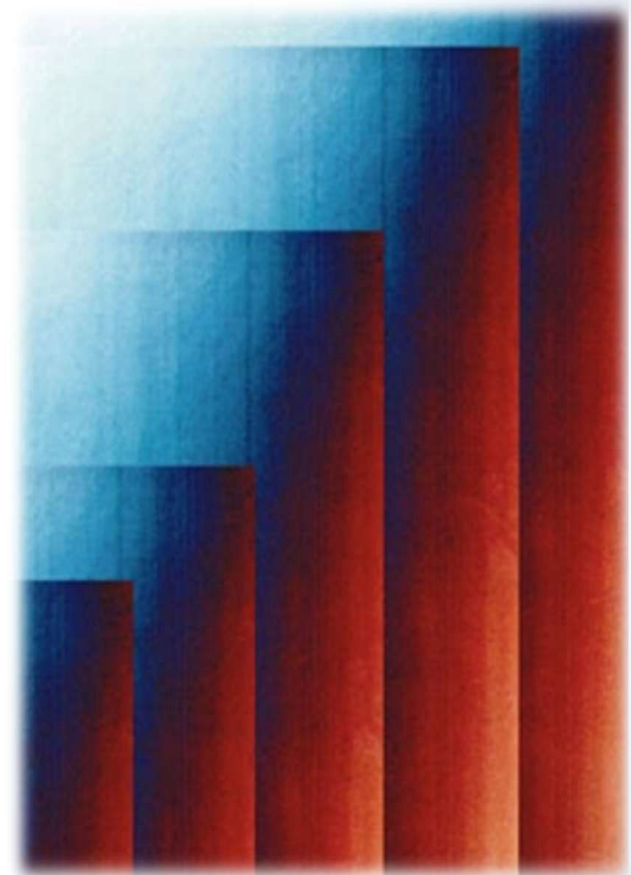




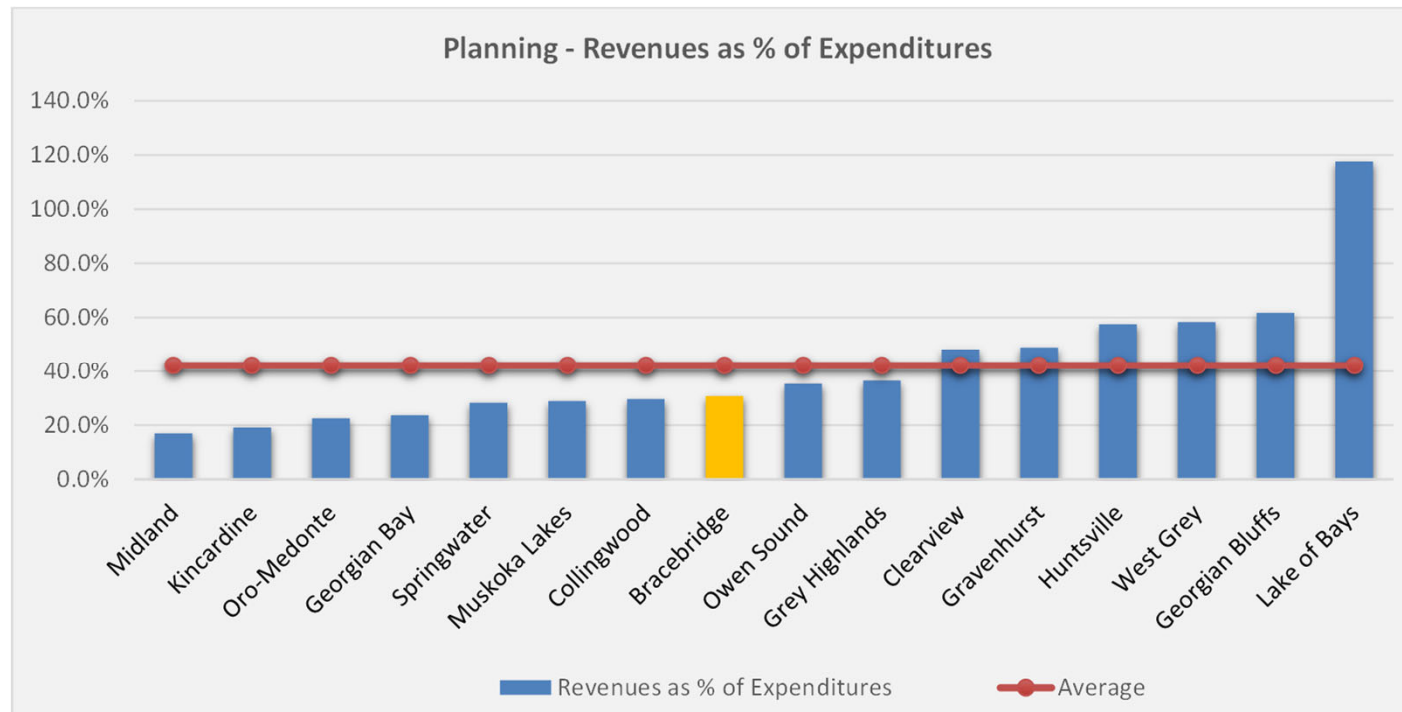
***Benchmarking
Planning Services***

Municipal Comparative Data

- Benchmarking in Planning is challenging as there are a number of considerations including:
 - Level and type of development activity, (e.g. greenfield, infill);
 - Differences in policies and procedures, (e.g. site plans, zoning);
 - Special projects and status of by-law updates, (e.g. OP, zoning by-law);
 - Degree to which projects are completed in-house versus contracted; and
 - One tier versus two tier municipal operations.

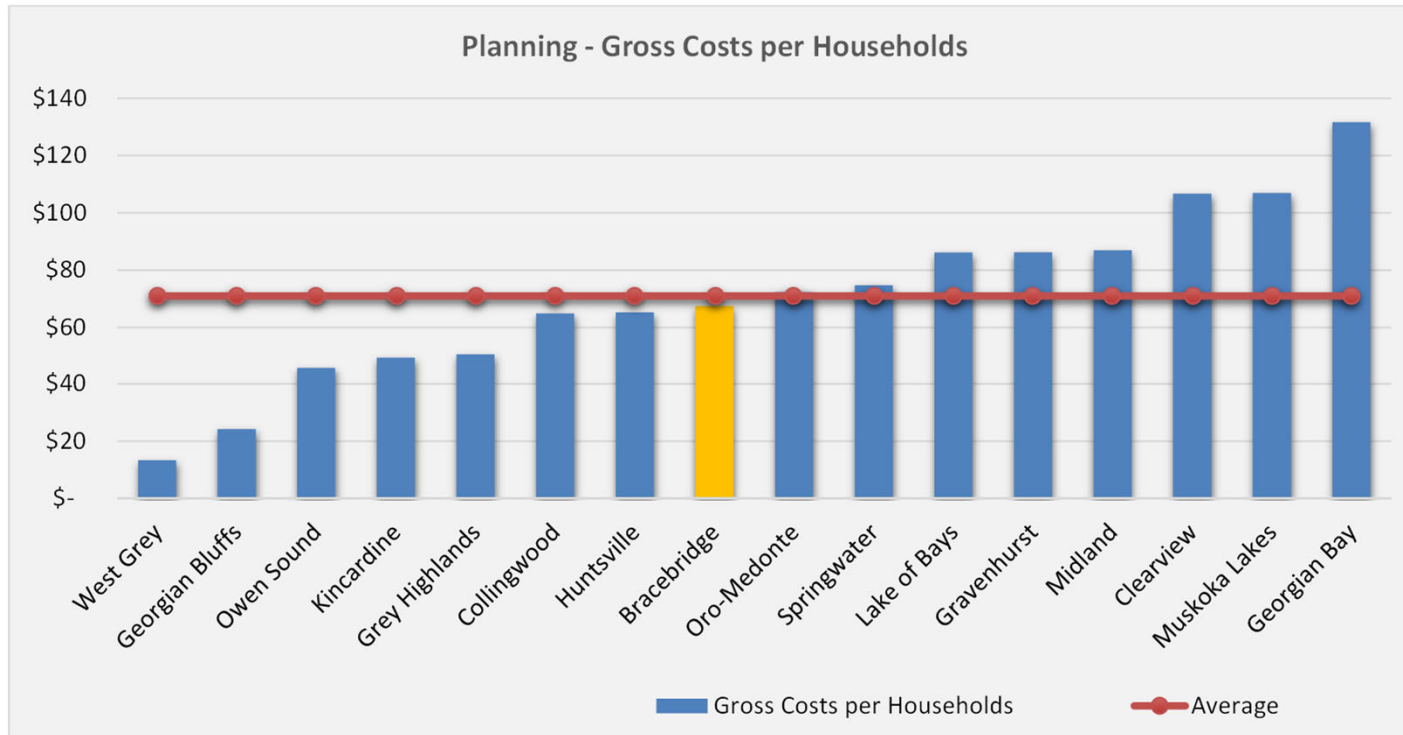


Planning Revenues as a % of Expenditures – 2018 FIR



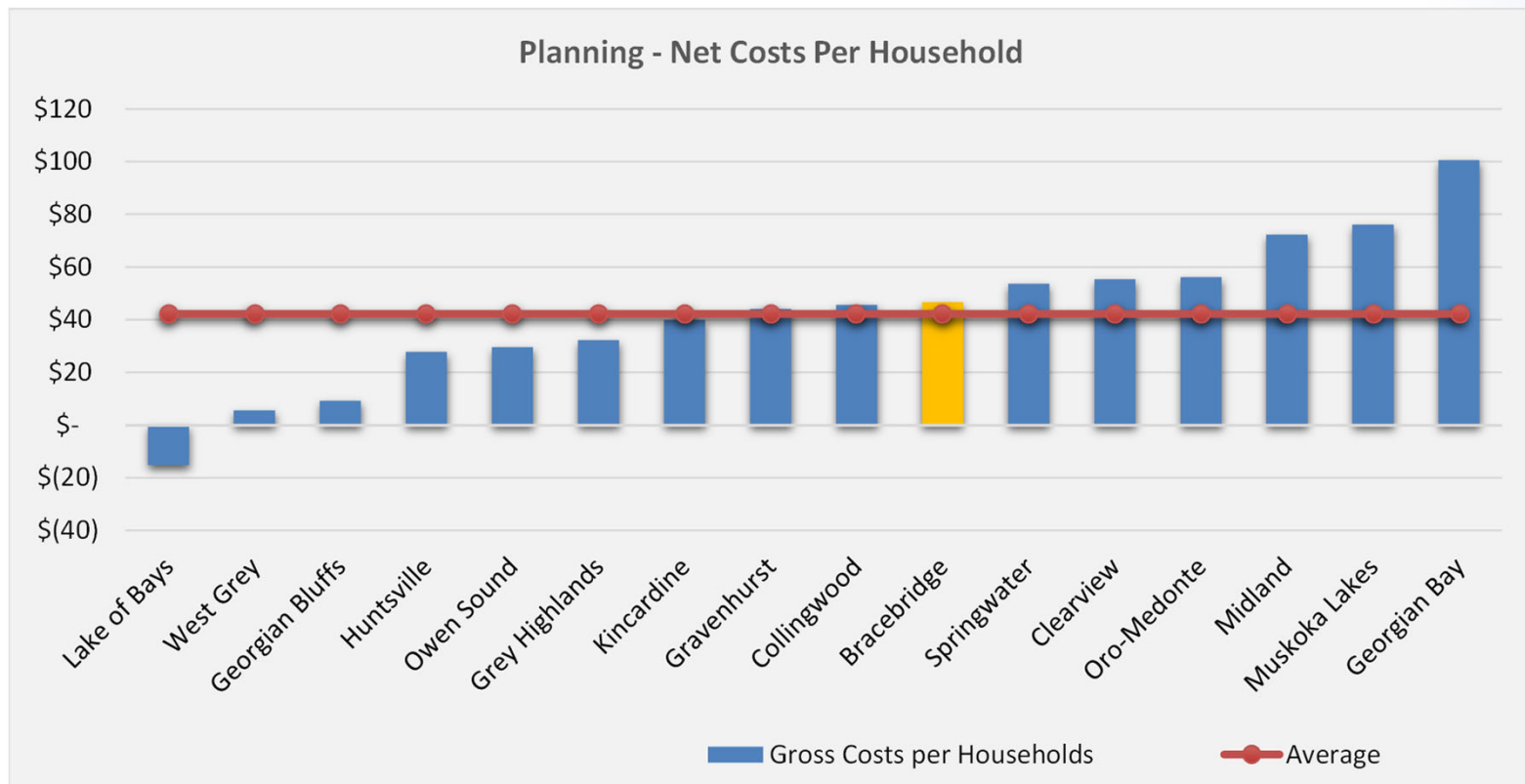
- Planning revenues as a % of expenditures in Bracebridge are below the survey average reflecting lower revenues in relation to expenditures.
- There is an opportunity to review the calculation of fees and ensure that the costs are calculated to include all direct and indirect costs.

Planning Gross Costs Per Household – 2018 FIR



- While revenues as a percentage of expenditures were low, the actual gross expenditures in Bracebridge are below the peer average.

Planning Net Costs Per Household – 2018 FIR



- The net costs per household in Bracebridge are approximately at the peer average.



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line Building Services



Building Services – Background Information

Services and Portfolio

Building Services key responsibilities include:

- The Building Services Branch ensures that any building activities requiring a building permit, among others, are carried out in accordance with the Ontario Building Code Act. The Branch is also responsible for the enforcement of the Comprehensive Zoning By-law and the Town's Sign By-law.
- Their responsibilities include:
 - Reviewing and issuing building permits;
 - Conducting inspections during construction to make sure work is in compliance with the Building Code and building permits;
 - Setting fees for building permits; and
 - Enforcing compliance through inspections and, if necessary, issuing orders (e.g., stop work orders and orders to comply).

Building Services - Net Operating Levy

| Operating Building | Budget | | | | | | % of Total 2020 | \$ change 2015-2020 | % Annual Change 2015- 2020 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------------|----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 374,500 | \$ 384,200 | \$ 405,000 | \$ 467,260 | \$ 501,570 | \$ 593,230 | 81.7% | \$ 218,730 | 9.6% |
| Transfer To/From Reserve | \$ - | \$ - | \$ - | \$ - | \$ 36,410 | \$ 8,600 | 1.2% | \$ 8,600 | 0.0% |
| I.T Support | \$ 33,100 | \$ 35,200 | \$ 38,690 | \$ 41,370 | \$ 42,900 | \$ 38,080 | 5.2% | \$ 4,980 | 2.8% |
| Insurance | \$ 5,330 | \$ 8,340 | \$ 8,300 | \$ 10,280 | \$ 20,250 | \$ 25,300 | 3.5% | \$ 19,970 | 36.5% |
| Misc Expenses | \$ 64,000 | \$ 68,250 | \$ 52,450 | \$ 59,990 | \$ 63,870 | \$ 61,000 | 8.4% | \$ (3,000) | -1.0% |
| Total Operating Expenses | \$ 476,930 | \$ 495,990 | \$ 504,440 | \$ 578,900 | \$ 665,000 | \$ 726,210 | 100.0% | \$ 249,280 | 8.8% |
| Total Operating Revenues | \$ 357,800 | \$ 415,300 | \$ 442,500 | \$ 578,900 | \$ 665,000 | \$ 726,210 | | \$ 368,410 | 15.2% |
| Total Net Operating Levy | \$ 119,130 | \$ 80,690 | \$ 61,940 | \$ - | \$ - | \$ - | | | |

- Expenses have increased, on average, annually by 8.8% and revenues have increased by 15.2% annually.
- There is no net levy impact associated with Building as it is operated as an Enterprise Model fully funded through fees – this is a leading practice.
- 82% of the total expenditures are related to salaries, wages and benefits which have increased, on average by 10% annually. In 2020, a Property Standards position was added to the staff complement as well as two student positions to implement the Sewage System Maintenance Inspection Program and will also be utilized to support the Manitoba Street Addressing Project.

Building Services - Variance Analysis

| Operating Building | Budget to Actuals Variances | | | | | 3 Year Average |
|---------------------------------|-----------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Salaries, Wages & Benefits | \$ 9,359 | \$ 25,415 | \$ 2,525 | \$ 9,496 | \$ 80,469 | \$ 30,800 |
| Transfer To/From Reserve | \$ - | \$ (22,191) | \$ (161,635) | \$ (233,918) | \$ (235,054) | \$ (210,200) |
| I.T Support | \$ 9,314 | \$ 1,926 | \$ 6,309 | \$ 8,490 | \$ 9,235 | \$ 8,000 |
| Insurance | \$ (3,158) | \$ 8,008 | \$ (12,441) | \$ (14,710) | \$ (3,113) | \$ (10,100) |
| Misc Expenses | \$ 18,179 | \$ 34,722 | \$ 4,345 | \$ 16,463 | \$ 23,060 | \$ 14,600 |
| Total Operating Expenses | \$ 33,693 | \$ 47,881 | \$ (160,897) | \$ (214,179) | \$ (125,403) | \$ (166,800) |
| Total Operating Revenues | \$ (23,067) | \$ (26,691) | \$ (222,837) | \$ (214,179) | \$ (125,403) | \$ (187,500) |
| Total Net Operating Levy | \$ 56,761 | \$ 74,572 | \$ 61,940 | \$ - | \$ - | \$ 20,600 |

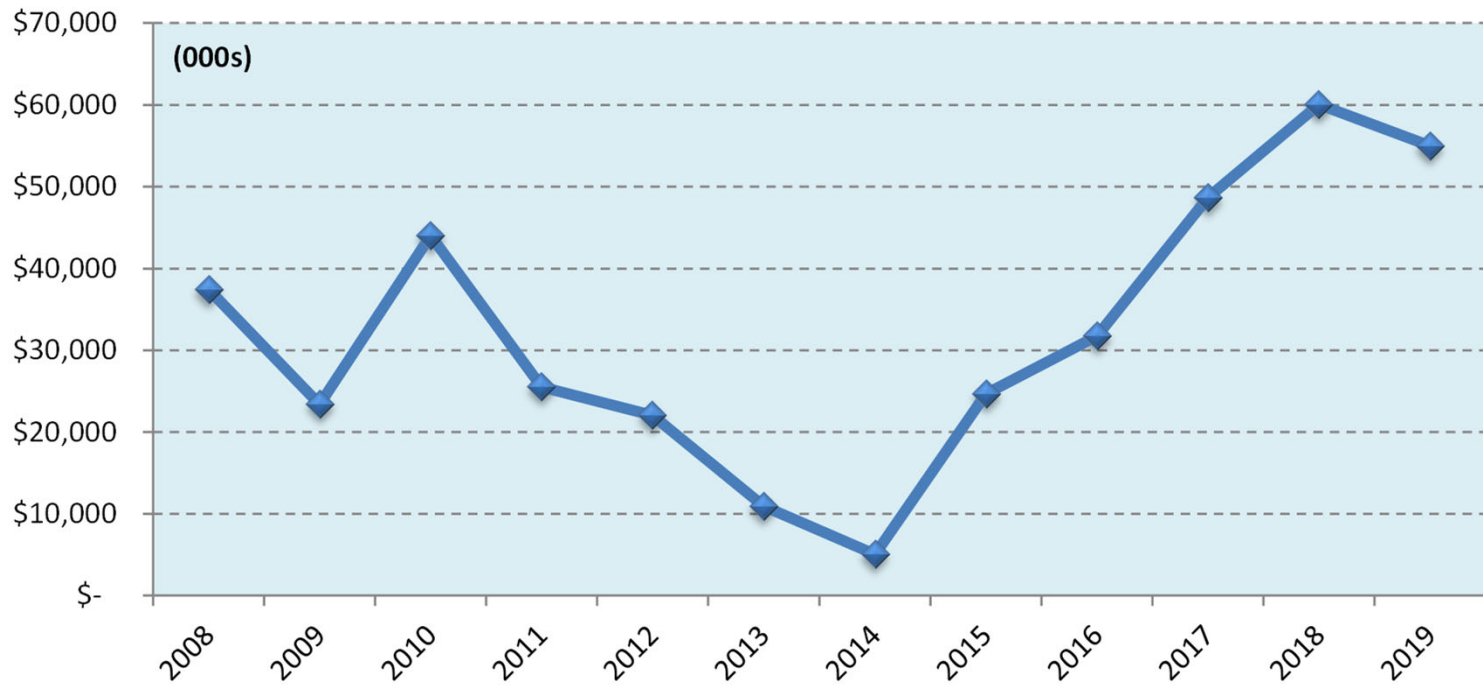
Note: a positive number reflects a net underspending in expenditures. A negative revenue variance reflects where actual revenues have exceeded budgeted revenues.

- As Building Services has no impact on the levy, no opportunities have been identified with the exception of ensuring that all corporate cost allocations have been assigned to this portfolio.
- Revenues have exceeded expenditures and any surpluses are transferred to the Building Stabilization Reserve.

Building Services – Key Findings and Observations

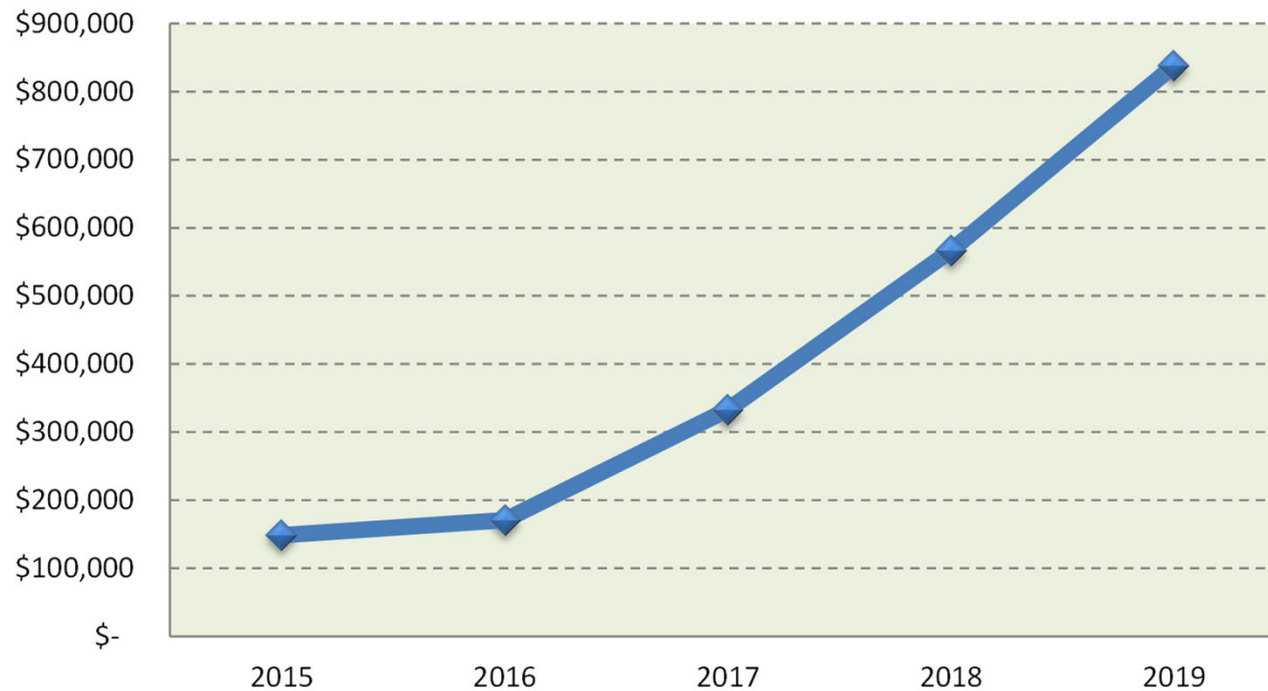
- Building Services staff have continued working on the enhancement of the Building Permit tracking system over the past 5 years. Several changes were made to the functionality of the database between 2015 and 2019.
- Building has struggled to attract a Deputy Chief Building Official and this position continues to be vacant.
- To recover the cost of providing Building Code services, municipalities are permitted to charge fees for processing building permit applications. The Building Code Act (the Act) requires that permit fees not exceed “the anticipated reasonable costs to administer and enforce the Building Code during building construction.”
 - **Opportunity** - Currently, the Town does not include in the Building Budget cost allocations for corporate supports (E.g. Council, Administration, Finance) which is a common practice in other jurisdictions to reflect the full cost of service. Implementing this practice would reduce the over net levy as these costs would be recovered from fees

Building Construction Activity – Historical Activity



- Construction activity was trending downward from 2010 to 2014 and increased substantially since that time.

Building Permit Reserve



- O.Reg. 305/03 is the associated regulation arising from the *Building Code Statute Law Amendment Act, 2002*. The regulation defines what is to be included in the annual year end reports as well as the public requirements for imposing or changing fees.
- When surpluses are realized within the *Building Code Act*, these funds must be transferred into a segregated Reserve Fund to be utilized for the purpose of the *Building Code Act*.
- In accordance with the legislation and regulations, the Town is transferring the net revenues to the Building Stabilization Reserve Fund on an annual basis.



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line Economic Development



Economic Development – Background Information

Services and Portfolio

Economic Development key responsibilities include:

- The Economic Development Branch is responsible for the attraction of new businesses to the Town of Bracebridge, as well as encouraging the expansion and retention of existing businesses within the community.
- The Branch provides support and assistance for tourism promotion and marketing, sport tourism, and cultural initiatives, including festivals and events.
- The Branch oversees the operation of the Muskoka Small Business Centre, which is operated under contract (letter of agreement) with the Ministry of Economic Development, Job Creation and Trade. Revenues are obtained primarily through core funding or specific program funding from the Ministry.

Economic Development - Net Operating Levy

| Operating Economic Development | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015-2020 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|---------------------|---------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Salaries, Wages & Benefits | \$ 273,400 | \$ 272,200 | \$ 279,080 | \$ 308,340 | \$ 306,360 | \$ 323,880 | 51.0% | \$ 50,480 | 3.4% |
| Contracted Services | \$ 139,900 | \$ 117,500 | \$ 117,050 | \$ 102,720 | \$ 85,000 | \$ 67,200 | 10.6% | \$ (72,700) | -13.6% |
| I.T Support | \$ 18,500 | \$ 18,500 | \$ 19,790 | \$ 20,920 | \$ 21,940 | \$ 22,050 | 3.5% | \$ 3,550 | 3.6% |
| Marketing | \$ 15,000 | \$ 15,000 | \$ 31,700 | \$ 45,000 | \$ 40,000 | \$ 34,000 | 5.4% | \$ 19,000 | 17.8% |
| Events Expense | \$ 41,500 | \$ 57,500 | \$ 77,300 | \$ 52,000 | \$ 68,800 | \$ 58,900 | 9.3% | \$ 17,400 | 7.3% |
| Program Expenses | \$ 2,000 | \$ 14,500 | \$ 15,500 | \$ 14,400 | \$ 3,500 | \$ 18,500 | 2.9% | \$ 16,500 | 56.0% |
| Studies and Plans | \$ 60,000 | \$ 60,000 | \$ 60,000 | \$ 68,000 | \$ 46,400 | \$ 80,000 | 12.6% | \$ 20,000 | 5.9% |
| Transfer To/From Reserve | \$ 5,000 | \$ 5,000 | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ (5,000) | -100.0% |
| Misc Expenses | \$ 76,000 | \$ 28,550 | \$ 25,800 | \$ 28,890 | \$ 33,000 | \$ 30,000 | 4.7% | \$ (46,000) | -17.0% |
| Total Operating Expenses | \$ 631,300 | \$ 588,750 | \$ 626,220 | \$ 640,270 | \$ 605,000 | \$ 634,530 | 100.0% | \$ 3,230 | 0.1% |
| Grants | \$ 68,480 | \$ 34,375 | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ (68,480) | -100.0% |
| Transfer To/From Reserve | \$ 30,000 | \$ 60,000 | \$ 107,000 | \$ 87,920 | \$ 46,400 | \$ 70,000 | 77.4% | \$ 40,000 | 18.5% |
| Donations | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ - | \$ - | \$ - | 0.0% | \$ (20,000) | -100.0% |
| Program and Event Revenues | \$ 33,600 | \$ 20,000 | \$ 4,700 | \$ 3,200 | \$ 13,200 | \$ 6,200 | 6.9% | \$ (27,400) | -28.7% |
| Other Revenues | \$ 8,800 | \$ 500 | \$ 5,700 | \$ 4,700 | \$ 4,200 | \$ 14,200 | 15.7% | \$ 5,400 | 10.0% |
| Total Operating Revenues | \$ 160,880 | \$ 134,875 | \$ 137,400 | \$ 95,820 | \$ 63,800 | \$ 90,400 | 100.0% | \$ (70,480) | -10.9% |
| Total Net Operating Levy | \$ 470,420 | \$ 453,875 | \$ 488,820 | \$ 544,450 | \$ 541,200 | \$ 544,130 | | \$ 73,710 | 3.0% |

- From 2015-2020, on average the Net Operating Levy has increased 3% annually.
- Contracted services have declined by \$72,700 from 2015-2020.
- Revenues have declined, on average by almost 11% annually, primarily due to the elimination of grants in 2017.

Economic Development – Variance Analysis

| Operating Economic Development | Budget to Actuals Variances | | | | | 3 Year Average |
|---------------------------------|-----------------------------|------------------|-------------------|------------------|------------------|------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2017-2019 |
| Salaries, Wages & Benefits | \$ 11,100 | \$ (5,837) | \$ 33,957 | \$ (16,955) | \$ (21,078) | \$ (1,400) |
| Contracted Services | \$ 16,883 | \$ 40,573 | \$ (9,279) | \$ 13,050 | \$ 14,761 | \$ 6,200 |
| I.T Support | \$ 1,578 | \$ 22 | \$ (1,402) | \$ (476) | \$ 107 | \$ (600) |
| Marketing | \$ 6,766 | \$ (134) | \$ (12,729) | \$ 2,081 | \$ 8,105 | \$ (800) |
| Events Expense | \$ 1,798 | \$ 4,656 | \$ 8,930 | \$ 2,403 | \$ 16,349 | \$ 9,200 |
| Program Expenses | \$ 1,910 | \$ 12,647 | \$ 9,823 | \$ 11,067 | \$ 1,531 | \$ 7,500 |
| Studies and Plans | \$ 60,000 | \$ 60,000 | \$ 28,449 | \$ 46,449 | \$ 46,400 | \$ 40,400 |
| Transfer To/From Reserve | \$ (30,000) | \$ (47,000) | \$ (13,725) | \$ (10,000) | \$ (10,000) | \$ (11,200) |
| Misc Expenses | \$ 19,777 | \$ 2,347 | \$ 5,475 | \$ (2,718) | \$ 7,262 | \$ 3,300 |
| Total Operating Expenses | \$ 89,812 | \$ 67,273 | \$ 49,499 | \$ 44,900 | \$ 63,437 | \$ 52,600 |
| Grants | \$ 31,000 | \$ 985 | \$ (5,500) | \$ - | \$ (228) | \$ (1,900) |
| Transfer To/From Reserve | \$ 30,000 | \$ 60,000 | \$ 30,994 | \$ 47,849 | \$ 46,400 | \$ 41,700 |
| Donations | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Program and Event Revenues | \$ (756) | \$ 2,160 | \$ (16,689) | \$ (8,713) | \$ 4,051 | \$ (7,100) |
| Other Revenues | \$ (7,150) | \$ (1,173) | \$ (17,554) | \$ (608) | \$ (398) | \$ (6,200) |
| Total Operating Revenues | \$ 53,094 | \$ 61,972 | \$ (8,749) | \$ 38,529 | \$ 49,826 | \$ 26,500 |
| Total Net Operating Levy | \$ 36,718 | \$ 5,301 | \$ 58,248 | \$ 6,371 | \$ 13,612 | \$ 26,100 |

Note: a positive number reflects a net underspending in expenditures. A negative revenue variance reflects where actual revenues have exceeded budgeted revenues.

- Studies and plans have been underspent each year but are funded from reserves and does not represent an opportunity to reduce the levy.
- Contracted services have been underspent in the last two years and the budget has been adjusted in 2020 accordingly.



BRACEBRIDGE
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Line-by-Line Community Improvement Plan



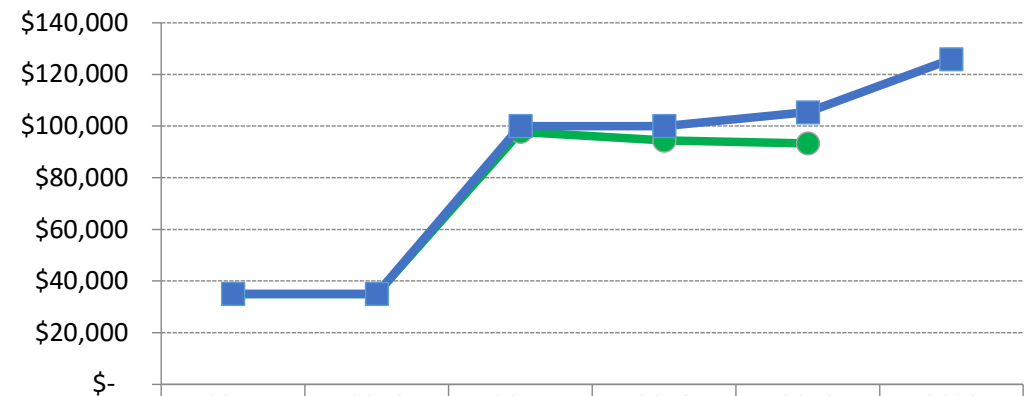
Community Improvement Plan– Background Information

Services and Portfolio

- The Planning and Development Department is responsible for the implementation of the Town’s Community Improvement Plan (CIP). This includes the implementation of grants and/or loan programs, as well as municipally-led activities designed to improve a variety of geographic areas within the community.

- The budget has increased, on average 39% annually since 2015 due to increases in the grant funding portfolio.
- Funds have been largely been distributed on an annual basis.
- No opportunities were identified to reduce the levy in this area.

Community Improvement Plan - Net Operating Levy



| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------|----------|----------|-----------|-----------|-----------|-----------|
| Actuals | \$35,000 | \$35,000 | \$97,785 | \$94,403 | \$93,302 | |
| Budgets | \$35,000 | \$35,000 | \$100,000 | \$100,000 | \$105,340 | \$125,860 |



BRACEBRIDGE
The Heart of Muskoka

Line-by-Line Community Support



Community Support– Background Information

| Operating Community Support | Budget | | | | | | % of Total 2020 | \$ Change 2015-2020 | % Annual Change 2015-2020 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------------|---------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Contracted Services | \$ 55,300 | \$ 56,500 | \$ 57,410 | \$ 58,440 | \$ 60,780 | \$ 62,300 | 26.4% | \$ 7,000 | 2.4% |
| Grants | \$ 100,620 | \$ 92,420 | \$ 116,370 | \$ 132,620 | \$ 176,150 | \$ 166,620 | 70.6% | \$ 66,000 | 10.6% |
| Misc Expenses | \$ 78,050 | \$ 4,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 7,000 | 3.0% | \$ (71,050) | -38.3% |
| Total Operating Expenses | \$ 233,970 | \$ 152,920 | \$ 175,780 | \$ 193,060 | \$ 238,930 | \$ 235,920 | 100.0% | \$ 1,950 | 0.2% |
| Total Operating Revenues | \$ - | \$ - | \$ - | \$ - | \$ 10,000 | \$ - | | \$ - | |
| Total Net Operating Levy | \$ 233,970 | \$ 152,920 | \$ 175,780 | \$ 193,060 | \$ 228,930 | \$ 235,920 | | \$ 1,950 | 0.2% |

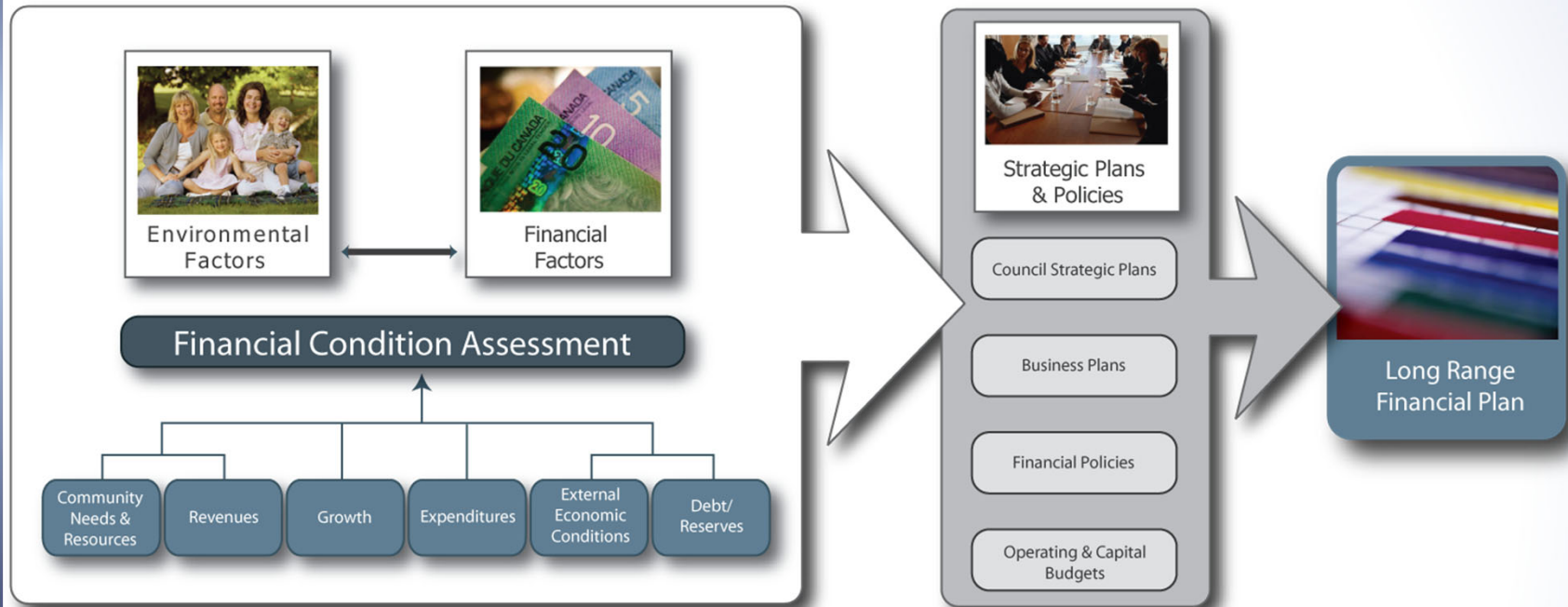
| Operating Community Support | Budget to Actuals Variances | | | | | 3 Year Average 2017-2019 |
|---------------------------------|-----------------------------|--------------------|------------------|--------------------|-------------------|-----------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Contracted Services | \$ 254 | \$ (14,242) | \$ 14,356 | \$ (15,193) | \$ 15,198 | \$ 4,800 |
| Grants | \$ 11,790 | \$ (297) | \$ 2,567 | \$ 4,868 | \$ (9,357) | \$ (600) |
| Misc Expenses | \$ (3,479) | \$ 3,586 | \$ (215) | \$ (3,290) | \$ 912 | \$ (900) |
| Total Operating Expenses | \$ 8,565 | \$ (10,954) | \$ 16,708 | \$ (13,615) | \$ 6,753 | \$ 3,300 |
| Total Operating Revenues | \$ - | \$ - | \$ - | \$ - | \$ (1,000) | \$ (300) |
| Total Net Operating Levy | \$ 8,565 | \$ (10,954) | \$ 16,708 | \$ (13,615) | \$ 7,753 | \$ 3,600 |

- No opportunities were identified to reduce the levy in this area.



Appendix A
Long Range Financial Plan Background
Information

Long Range Financial Plan Background Information



The graphic above reflects a graphical representation of the steps involved in the development of a long range financial plan. The first step in the preparation of the Long Range Financial Plan was to undertake a **Financial Condition Assessment**. This was completed in a separate report and provided a 5 year historical trend and peer comparison using multiple financial and socio-economic indicators. The next phase in the process is to work with staff in the development of the **Financial Forecasting Model and Financial Policies** with a focus on designing the system to support future decision-making. The **Long Range Financial Plan** typically forecasts over a period of 10 years based on the best available information, assumptions and financial policies and strategies.

Benefits to Long Range Financial Planning

- ✓ Identifies fiscal issues and opportunities
- ✓ Stimulates long-term thinking
- ✓ Helps establish fiscal policies and goals
- ✓ Provides the necessary information to establish feasible solutions and decisions
- ✓ Provides a tool to monitor progress against Council approved plans

Better Information = Better Decisions



Financial Condition Assessment

September 2020



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Introduction—Financial Condition Assessment


The Government Finance Officers Association recommends that a municipality should regularly collect and evaluate information about trends in community condition, the external factors affecting it, opportunities that may be available, and problems and issues that need to be addressed.

A financial condition assessment can provide an early warning of potential fiscal problems and provide information necessary for timely corrective action. Bracebridge is taking a proactive approach and engaged BMA Management Consulting Inc. to conduct a financial condition assessment.

Financial condition is affected by a combination of environmental and fiscal factors, therefore, key financial and socio-economic indicators have been included to help evaluate the Town’s existing financial condition and to identify future challenges and opportunities. Industry recognized indicators that are used by credit rating agencies and/or recommended by Government Finance Officers’ Association (GFOA) have been included. As described by CPA Canada, an evaluation of a municipality’s financial condition considers an evaluation of the following elements:

Excerpts—Town of Bracebridge - 2020 Municipal Budget and Business Plan

“The Town of Bracebridge is located in the Heart of Muskoka, the epitome of Canada’s Cottage Country. With a population in excess of 16,000 permanent residents that experiences a 50% increase during the summer months, the community has a diversified economy that is highlighted by strong construction, hospitality and professional sectors.”



Financial Condition

| | | |
|---|--|--|
| <p style="text-align: center;">Sustainability</p> <p>The ability to provide and maintain existing programs without resorting to unplanned tax increases in rates or cuts to services</p> | <p style="text-align: center;">Flexibility</p> <p>The ability to issue debt responsibly without impacting the credit rating. Also, the ability to generate required revenues.</p> | <p style="text-align: center;">Vulnerability</p> <p>Focuses on minimizing the level of risk that could impact its ability to meet financial obligations and commitments including the delivery of services.</p> |
|---|--|--|

Bracebridge's Policies and Practices Contribute to its Strong Financial Position

Positive Financial Trends and Prudent Financial Policies

As will be shown in this report, the Town tracks numerous financial and economic indicators through a scorecard that is included in the Town's software. Further, the Town tracks performance on an ongoing basis and incorporates new strategies into the budget and business plan.



Prudent Investor Standards—Investment Standards

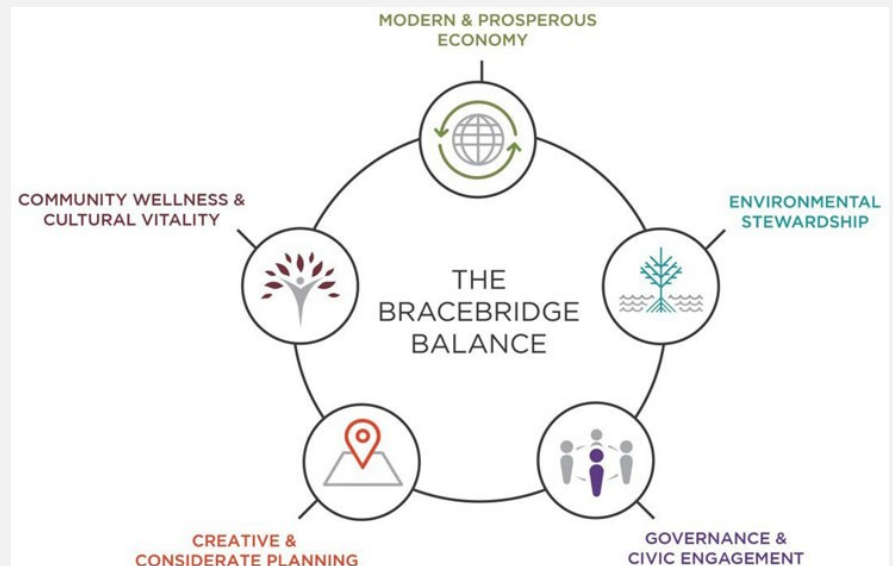
The Corporation of the Town of Bracebridge strives to optimize utilization of its cash resources within statutory limitations while recognizing the importance of protecting and preserving capital together with the need to maintain solvency and liquidity to meet ongoing financial requirements. Funds that are defined as money not required immediately are to be invested within the scope of the Prudent Investor Standard where diversification and potential for the growth of investments play a prominent role.

Reserve and Debt Policies

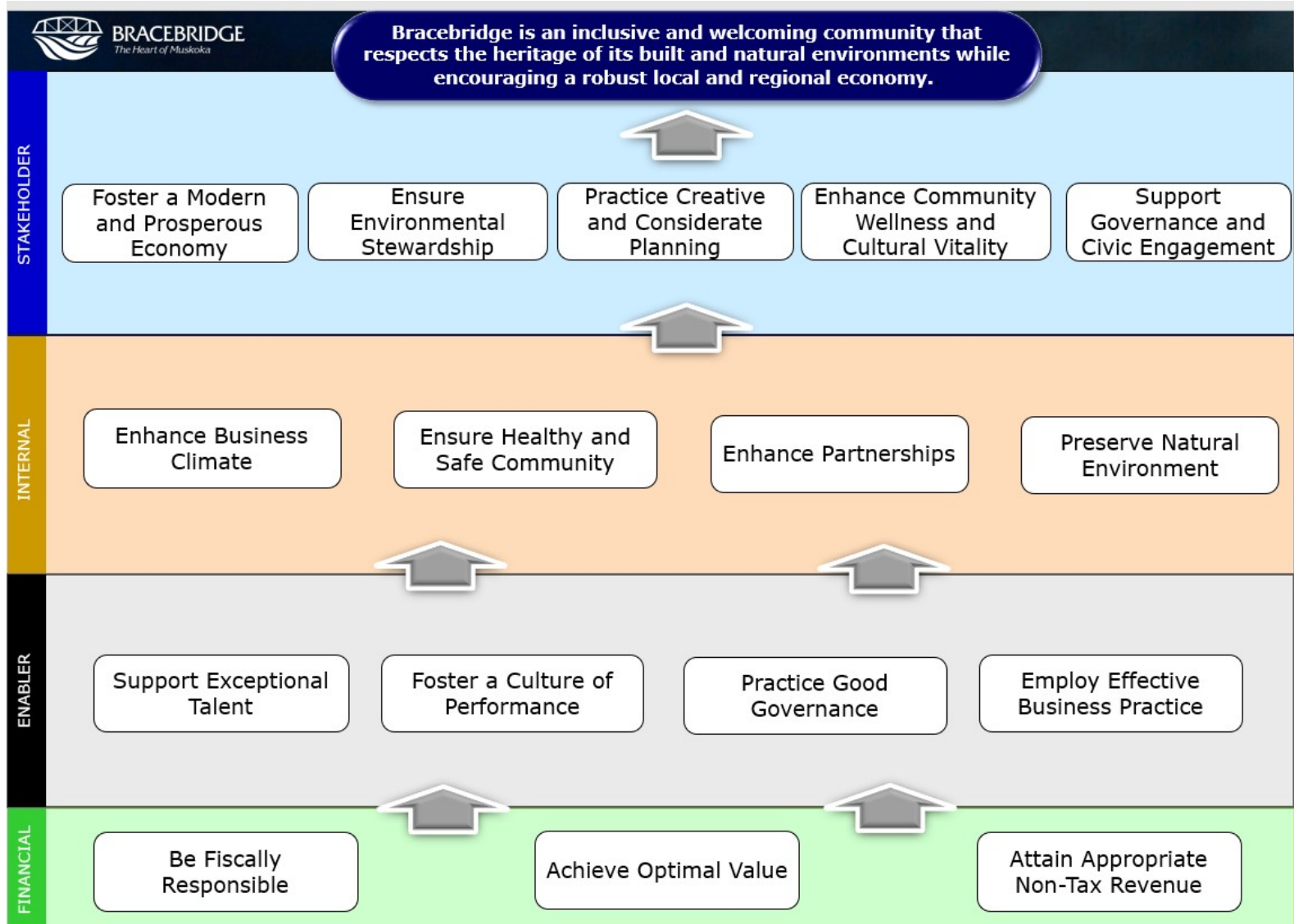
As will be shown later in the report, the Town has prudent financial policies in place that guide decision-making and ensure that the Town focuses on future financial sustainability, including debt and reserve strategies with targeted reserve contributions and debt management limits. These are tracked annually and reported to Council with indicators. Financial policies are also aligned to the Town's Strategic Plan.

The Town's Long Term Capital Plan is reviewed annually by Council. It identifies significant capital investment that is expected to occur within the next ten years.

Strategic Plan—Five Strategic Themes



Bracebridge's Strategy Map



In accordance with leading practice, Bracebridge has identified the goals in which to achieve it's strategic plan. These goals provide a basis for making resource allocation decisions.

Trend Analysis

The problems that create fiscal challenges seldom emerge overnight, rather they develop slowly, thus making potential problems less obvious. Analyzing the trends of the Town’s key financial performance and socio-economic indicators offer several advantages including:

- Information on changes in the Town’s financial health, revealing the most current trends;
- How quickly a trend is changing;
- Forms the basis for future forecasting; and
- Builds awareness and helps identify the potential need to modify existing policies or develop new strategies.

At the conclusion of each section, a performance dashboard has been included to summarize the results of the key metrics. This provides the 2020 ratings to provide perspective on how the Town has performed.

The following provides the legend that was used to summarize the results.

Legend



Peer Analysis

Peer analysis has also been included to gain perspective on the Town’s financial health in relation to other municipalities. Figure 1 summarizes the peer municipalities selected

Figure 1—Peer Municipal Comparator Group

| Municipality | 2018 Households | Land Area (sq. km.) | Household Density per sq. km. |
|--------------------|-----------------|---------------------|-------------------------------|
| Collingwood | 11,522 | 34 | 341 |
| Georgian Bluffs | 5,202 | 604 | 9 |
| Gravenhurst | 8,563 | 518 | 17 |
| Huntsville | 10,671 | 710 | 15 |
| Owen Sound | 9,407 | 24 | 388 |
| Kincardine | 6,187 | 538 | 12 |
| West Grey | 5,852 | 876 | 7 |
| Grey Highlands | 5,502 | 883 | 6 |
| Average | 7,863 | 523 | 99 |
| Median | 7,375 | 571 | 13 |
| Bracebridge | 9,041 | 628 | 14 |



Financial Condition Assessment—Key Indicators

The Financial Health Assessment includes the following:

Growth and Socio-Economic Indicators

These are largely external to the Town’s control but important to understand from a planning and forecasting perspective.

- Households
- Household Density per Km
- Building Construction Activity
- Property Assessment
- Household Income

Municipal Levy, Property Taxes & Affordability Indicators

Evaluation of the cost of municipal programs and services and how these costs translate into municipal property taxes.

- Municipal Levy Comparison
- Municipal Levy Trend Analysis
- Municipal Property Taxes as a % of Income

Financial Position Indicators

Evaluation of the Town’s financial framework helps determine if modifications are needed to the Town’s existing financial policies and strategies.

- Reserves & Reserve Funds
- Asset Consumption Ratio
- Debt
- Municipal Financial Position
- Taxes Receivable



Section 1: Growth and Socio-Economic Indicators

Growth and Socio-Economic Indicators

Growth and socio-economic indicators describe and quantify a community’s wealth and economic condition and provide insight into the community’s collective ability to generate revenue relative to the community’s demand for public services. As noted by Standard and Poor’s Bond Rating Agency, “demographic characteristics factor heavily into economic analysis.

An examination of economic and demographic characteristics can identify, for example, the following types of situations:

- An inclining tax base and correspondingly, the community’s ability to pay for public services;
- A need to shift public service priorities because of demographic changes in the community; and
- A need to shift public policies because of changes in economic and legislative conditions.



These indicators are closely interrelated and affect each other in a continuous cycle of cause and effect. Also important are the Town’s plans and potential for future development.

This section of the financial condition assessment explores the trends associated with growth and socio-economic indicators for the Town of Bracebridge.

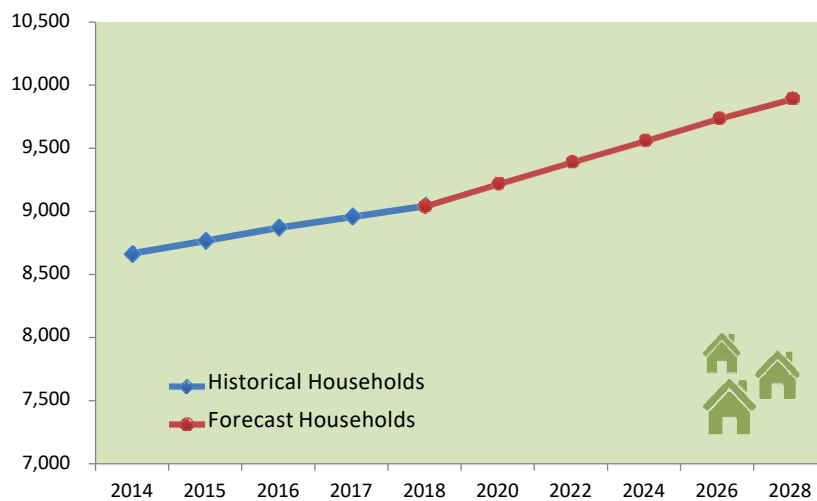


Household Growth

Increases in number of households directly impacts both revenues (assessment base) and expenditures (service demand). The following summarizes key findings related to the Town’s population growth:

- Bracebridge has grown from 8,666 households in 2014 to approximately 9,041 in 2018 (4.3% increase).
- According to the 2019 Development Charges Background Study, Bracebridge household growth is expected to increase by approximately 9.3% from 2020-2028.
- The continued need for infrastructure to accommodate further growth will take place at the same time that the existing assets are reaching an age where their renewal/replacement is becoming critical and more costly.

Figure 2—Town of Bracebridge—Household Changes



Source: Forecast—Town of Bracebridge DC Background Study

Excerpts— The Town of Bracebridge Strategic Priorities

- **INNOVATION** – We value ingenuity, creativity and innovation as tools to maximize Bracebridge’s existing strengths while also developing effective solutions to meet new opportunities and challenges.
- **LEADERSHIP** – We seek to be at the forefront of good governance and community building by making strategic decisions that will ensure the continuous growth and enhancement of our community.
- **COLLABORATION AND PARTNERSHIP** – We share ideas and approaches and work closely with our community partners to innovate and realize the Town’s goals.
- **FOCUS ON THE FUTURE** – We are committed to proactively preparing our community for the future and taking steps to address, respond and adapt to the continually shifting environment in and beyond the Town.



Household Density

Household density indicates the number of households in an area (usually measured by square kilometer). Density readings can lend insight into the Town’s growth patterns and zoning practices. As illustrated in Figure 3, Bracebridge’s household density per km is approximately at the peer municipalities’ median.

Figure 3—Household Density—Peer Municipalities

| Municipality | 2018 Households | Land Area (sq. km.) | Household Density per sq. km. |
|--------------------|-----------------|---------------------|-------------------------------|
| Collingwood | 11,522 | 34 | 341 |
| Georgian Bluffs | 5,202 | 604 | 9 |
| Gravenhurst | 8,563 | 518 | 17 |
| Huntsville | 10,671 | 710 | 15 |
| Owen Sound | 9,407 | 24 | 388 |
| Kincardine | 6,187 | 538 | 12 |
| West Grey | 5,852 | 876 | 7 |
| Grey Highlands | 5,502 | 883 | 6 |
| Average | 7,863 | 523 | 99 |
| Median | 7,375 | 571 | 13 |
| Bracebridge | 9,041 | 628 | 14 |

Source: Stats Canada

- A challenge facing Bracebridge is a large geographic area with low household density. This requires more infrastructure funded by fewer households.

Age Demographics and Quality of Life

The age profile of a population and change in demographics can affect Town spending plans, especially around the type of service required. The number of permanent residents 65+ has increased by 22.6% from 2011-2016 and represents 25.1% of the total population.

Figure 4—Age Profile

| Age Profile | Bracebridge | | | Ontario | | |
|--------------|---------------|---------------|----------|-------------------|-------------------|----------|
| | 2011 | 2016 | % change | 2011 | 2016 | % change |
| Age 0-19 | 3,175 | 3,070 | -3.3% | 3,167,813 | 3,096,780 | -2.2% |
| Age 20-44 | 3,970 | 3,955 | -0.4% | 4,410,879 | 4,458,936 | 1.1% |
| Age 45-64 | 4,989 | 4,970 | -0.4% | 3,836,128 | 3,927,160 | 2.4% |
| Age 65+ | 3,275 | 4,015 | 22.6% | 1,951,480 | 2,309,176 | 18.3% |
| Total | 15,409 | 16,010 | | 13,366,300 | 13,792,052 | |

Source: Stats Canada

| Age Profile | Bracebridge | | Ontario | |
|--------------|---------------|---------------|---------------|---------------|
| | 2011 | 2016 | 2011 | 2016 |
| Age 0-19 | 20.6% | 19.2% | 23.7% | 22.5% |
| Age 20-44 | 25.8% | 24.7% | 33.0% | 32.3% |
| Age 45-64 | 32.4% | 31.0% | 28.7% | 28.5% |
| Age 65+ | 21.3% | 25.1% | 14.6% | 16.7% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |

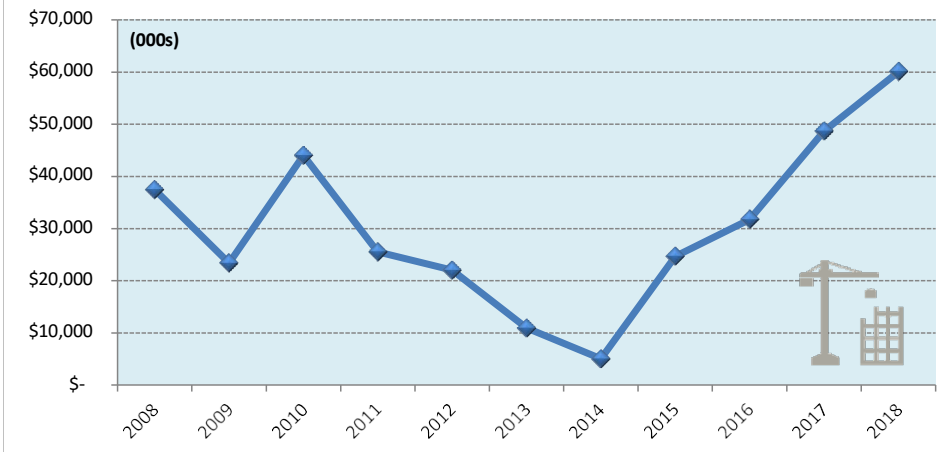
Expenditures may be affected by seniors requiring higher public service costs that reflect changing needs (e.g. accessible transit, recreation) while still keeping taxes affordable.

Construction Activity

Another growth related indicator is the construction activity within a municipality which provides information on both residential and non-residential development. Building permits and capital investment are strong indicators of how buoyant business feels about the economy. Changes in building activity impact other factors such as the employment base, income and property values.

- It is important to look at building cycles over a relatively long period of time to identify trends in construction activity.
- Figure 5 provides the trends experienced in the Town of Bracebridge for the past 10 years.

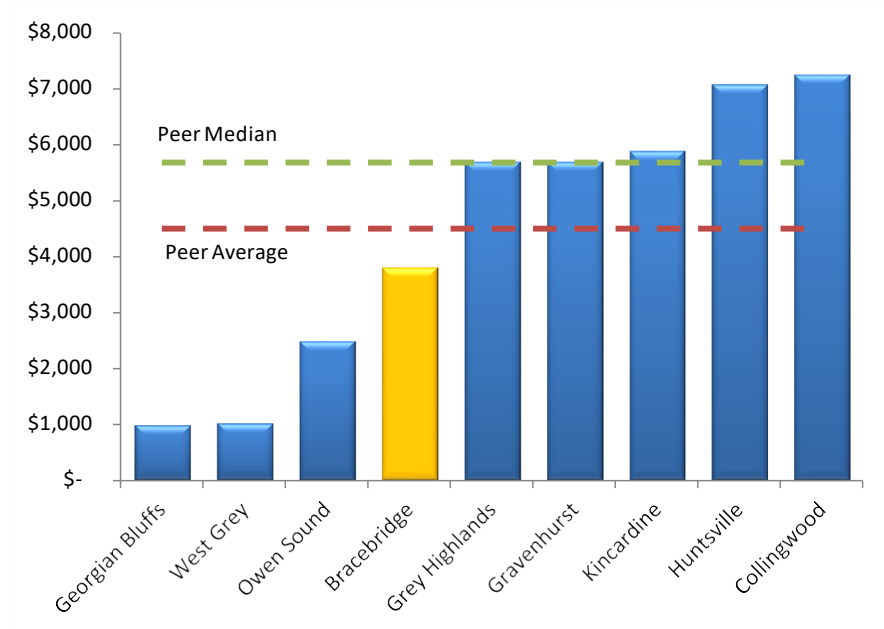
Figure 5—Total Construction Activity—Bracebridge (000's)



Source: FIRs

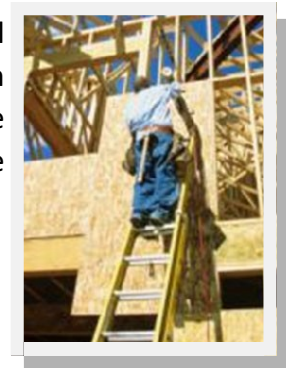
- Construction activity was trending downward from 2010 to 2014 and increased substantially from 2014 to 2018.

Figure 6—Building Permit Value per Household—Peer Municipal Comparators—5 Year Average (2014—2018)



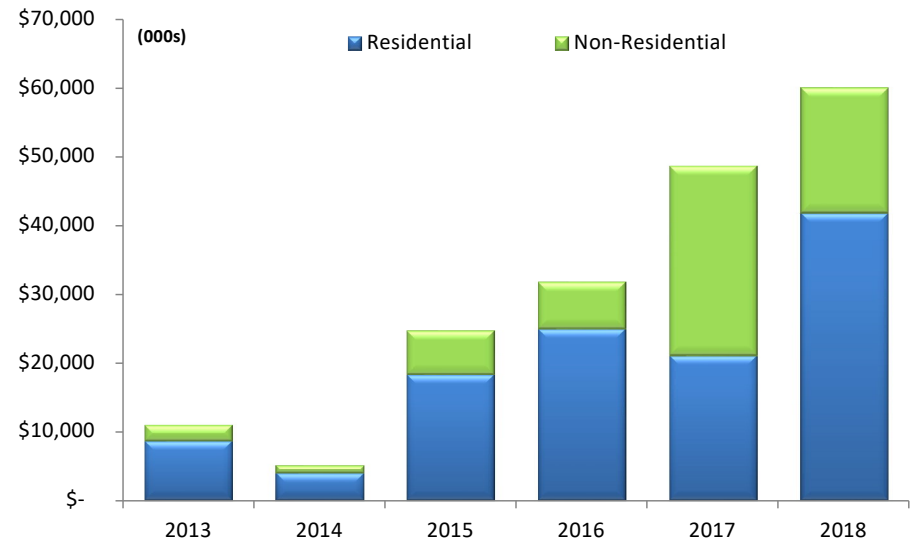
Source: Town year end construction reports and FIRs

- Building permit value per household is used as an indicator of the relative construction activity within each peer municipality.
- As show in figure 6, the average annual building permit value per household from 2014-2018 in Bracebridge was below the peer municipal average but activity in the last several years continues to increase.



- Generally, a municipality’s net operating costs to service residential development is higher than the net operating cost of servicing commercial or industrial development because many services such as recreation, libraries and parks are provided mainly for use by residents and the tax ratios are higher in non-residential properties which generates additional assessment.
- The ideal condition is to have sufficient commercial and industrial development to offset the net increase in operating costs associated with residential development. Non-residential development is desirable in terms of developing a strong assessment base upon which to raise taxes and in providing employment opportunities.
- Over the past six years, residential/non-residential construction activity (on a \$ of construction) is a 69/31 split in the Town of Bracebridge, representing a good balance between residential and non-residential development.

Figure 7—Residential and Non-Residential Construction Activity



Source: Town year end construction reports and FIRs



Assessment Composition

Property assessment is the basis upon which the Town raises taxes. A strong assessment base is critical to a municipality’s ability to generate revenues. Assessment composition provides an understanding of the mix of assessment.

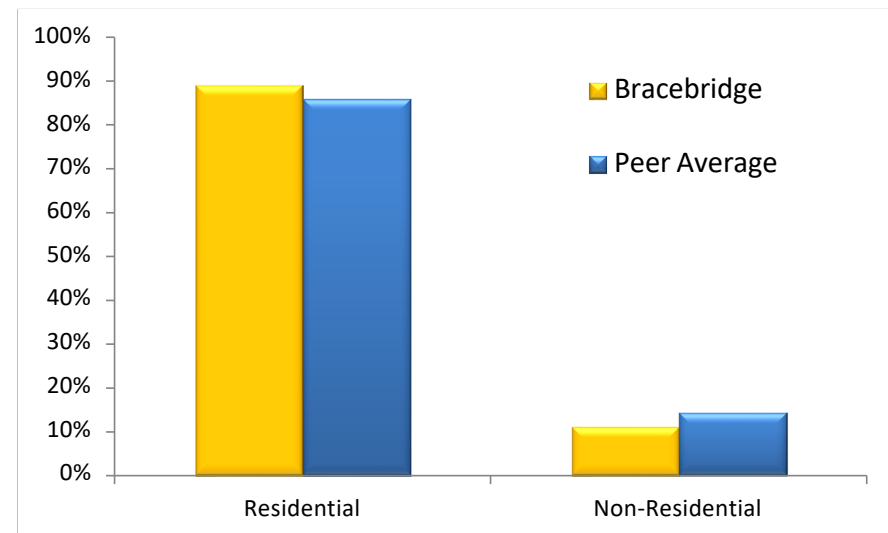
- As previously noted, a municipality’s net operating costs to service residential development is higher than the net operating cost of servicing commercial or industrial development because many services such as recreation, libraries and parks are provided for use by residents.
- Therefore, it is more desirable to have a larger share of non-residential assessment as the municipal cost of service is generally lower than residential.
- As shown in figure 9, the combined assessment in the commercial, industrial and pipeline class is 11% in Bracebridge compared with the peer municipal average of 14.0%.
- Municipalities with larger urban areas like Collingwood and Owen Sound have a larger non-residential assessment base upon which to raise taxes.

Figure 8—2019 Weighted Assessment Composition

| 2019 | Residential | Multi-Res. | Commercial | Industrial | Pipelines | Farmlands | Forests |
|-----------------|-------------|------------|------------|------------|-----------|-----------|---------|
| Collingwood | 81.9% | 1.9% | 14.3% | 1.8% | 0.2% | 0.0% | 0.0% |
| Georgian Bluffs | 88.0% | 0.1% | 7.0% | 1.4% | 0.5% | 2.9% | 0.2% |
| Gravenhurst | 90.6% | 0.9% | 7.7% | 0.3% | 0.5% | 0.0% | 0.1% |
| Huntsville | 85.9% | 0.9% | 11.1% | 1.3% | 0.6% | 0.0% | 0.1% |
| Owen Sound | 61.6% | 10.6% | 24.7% | 2.4% | 0.7% | 0.0% | 0.0% |
| Kincardine | 69.2% | 1.0% | 14.3% | 9.0% | 0.0% | 6.5% | 0.0% |
| West Grey | 81.2% | 0.8% | 4.5% | 2.3% | 0.5% | 10.0% | 0.7% |
| Grey Highlands | 82.7% | 0.4% | 3.6% | 5.3% | 0.1% | 7.5% | 0.4% |
| Average | 80.1% | 2.1% | 10.9% | 3.0% | 0.4% | 3.4% | 0.2% |
| Median | 82.3% | 0.9% | 9.4% | 2.1% | 0.5% | 1.4% | 0.1% |
| Bracebridge | 87.3% | 1.5% | 9.8% | 0.9% | 0.4% | 0.0% | 0.1% |

Source: BMA Municipal Study using assessment bylaws

Figure 9—2019 Residential vs. Non-Residential



Source: BMA Municipal Study using assessment bylaws

Changes in Assessment

- Assessment growth, the richness of the assessment base and assessment composition are important indicators of fiscal strength.
- Assessment increase includes changes in assessment related to growth as well as changes in market value of existing properties (which does not generate additional revenues).
- The Town’s assessment base has grown substantially over the past several years. Since 2010, the taxable assessment base has increased from \$2.4 billion to \$3.3 billion in 2020, an increase of 38% over the last ten years.
- As shown in figure 10, from 2017-2018, the assessment increase in Bracebridge was at the peer average.

Figure 10—Changes in Unweighted Assessment

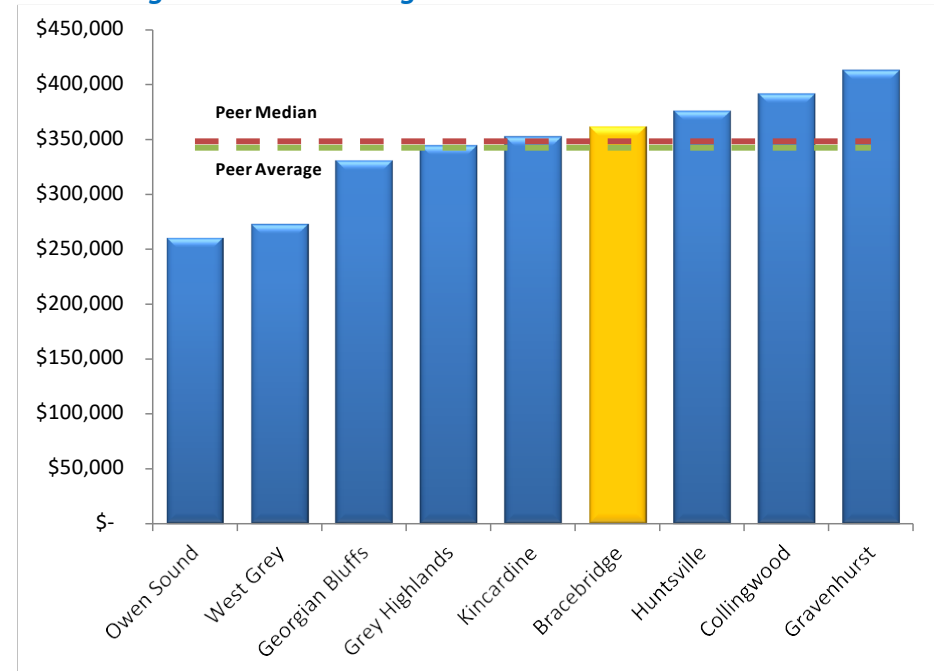
| Weighted Assessment | 2014-2015 % | 2015-2016 % | 2016-2017 % | 2017-2018 % | 2018-2019 % |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| Collingwood | 4.1% | 4.1% | 3.6% | 5.2% | 7.0% |
| Georgian Bluffs | N/A | N/A | N/A | N/A | N/A |
| Gravenhurst | 3.1% | 3.0% | 1.6% | 3.3% | 3.0% |
| Huntsville | 2.8% | 2.4% | 1.3% | 3.6% | 3.8% |
| Owen Sound | -0.4% | 1.2% | -1.1% | -0.9% | 1.1% |
| Kincardine | N/A | 4.7% | 0.3% | 3.1% | 3.8% |
| West Grey | N/A | N/A | N/A | N/A | N/A |
| Grey Highlands | 6.2% | 5.8% | 0.9% | 4.0% | 4.3% |
| Peer Average | 3.2% | 3.5% | 1.1% | 3.0% | 3.8% |
| Bracebridge | 2.4% | 2.6% | 0.8% | 2.9% | 3.8% |

Richness of the Assessment Base

Assessment per household statistics have been compared to provide an indication of the “richness” of the assessment base in each municipality as well as changes in assessment from year to year.

- Bracebridge’s assessment base per household is above the survey average of the peer municipal comparison.

Figure 11—2019 Weighted Assessment Per Household



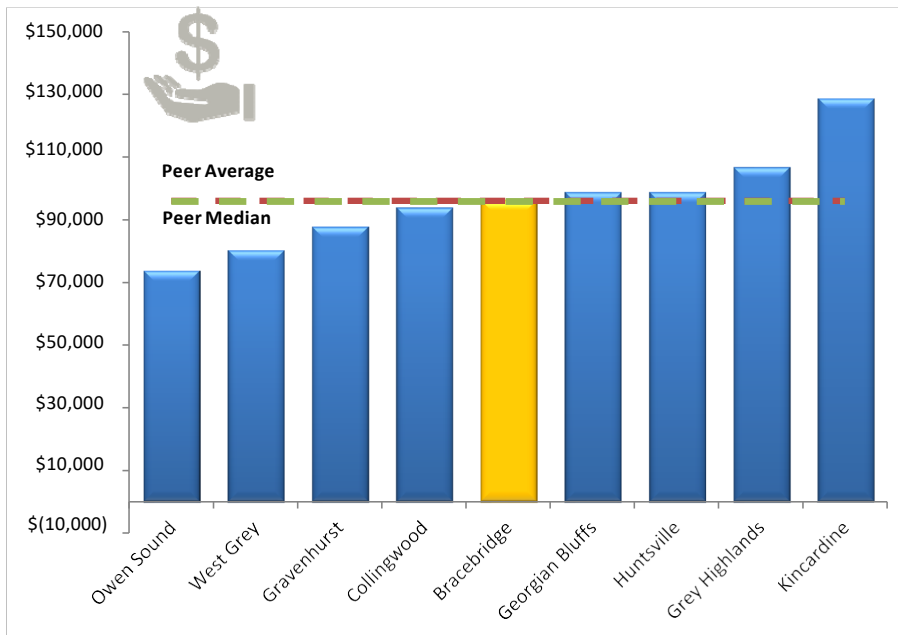
Source: BMA Municipal Study using assessment bylaws

Household Income

Household income is one measure of a community’s ability to pay. Credit rating agencies use this indicator as an important measure of a municipality’s ability to repay debt.

- As shown in figure 12, in 2019, the estimated average household income in the Town of Bracebridge of \$96,000 is approximately at the peer municipal average (\$95,849).

Figure 12—2019 Estimated Gross Household Income



Source: Manifold Data Mining 2019

Summary—Socio-Economic Indicators

| | <i>Socio-Economic Indicator</i> | <i>2020 Rating</i> |
|---|--|---|
|  | <i>Household Growth</i> |  |
|  | <i>Household Density</i> |  |
|  | <i>Age Demographics</i> |  |
|  | <i>Construction Activity</i> |  |
|  | <i>Assessment Composition</i> |  |
|  | <i>Richness of the Assessment Base</i> |  |
|  | <i>Assessment Growth</i> |  |
|  | <i>Household Income</i> |  |



Trends that should be closely monitored to align programs and services with changes



Section 2: Municipal Levy, Property Taxes and Affordability

Municipal Levy, Property Taxes and Affordability

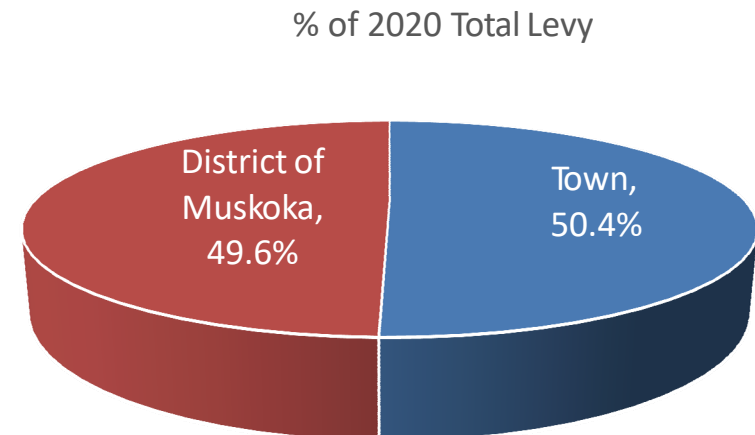
- This section of the Financial Condition Assessment provides an overview of the cost of municipal services in the Town of Bracebridge and in relation to peer municipalities.
- In addition, property taxes are reviewed in relation to household income to provide an indication of the affordability of services in the Town of Bracebridge.
- Finally, this section of the report compares the competitiveness of non-residential property taxes.



Municipal Property Taxes

Property taxpayers in the Town of Bracebridge receive municipal programs and services through a two-tiered government structure: District and Town. As shown in the following pie chart, in 2020 approximately 50% of a residential tax bill is related to the District of Muskoka cost of services, with the remaining related programs and services delivered by the Town of Bracebridge.

Figure 13—Town of Bracebridge 2020 Residential Tax Bill



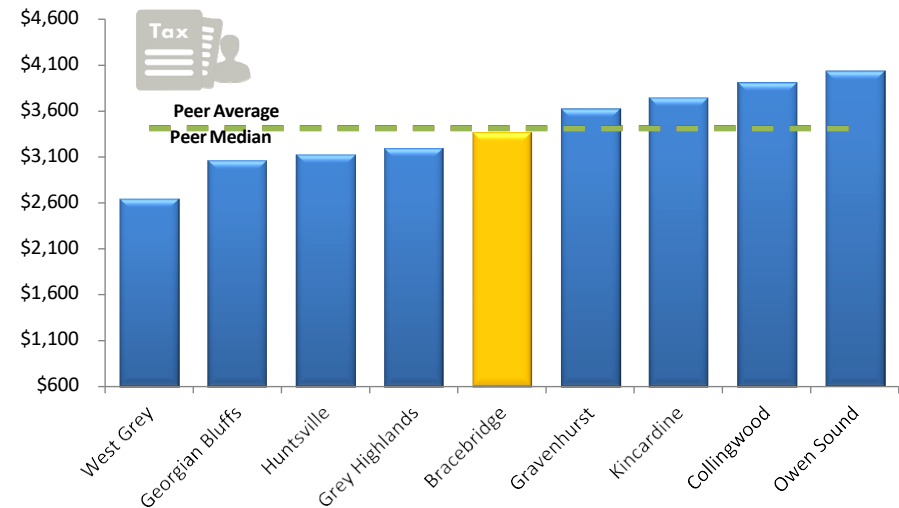
Municipal Levy Per Household and Per \$100,000 of Assessment Comparison

In order to better understand the relative municipal tax position for the Town, a comparison of net municipal levies was calculated based on a per \$100,000 of assessment as well as on a per household levy basis. This analysis does not indicate value for money or the effectiveness in meeting community objectives as net municipal expenditures may vary as a result of:

- Different service levels;
- Variations in the types of services;
- Different methods of providing services;
- Different residential/non-residential assessment composition;
- Varying demand for services;
- Locational factors;
- Demographic differences;
- Socio-economic differences;
- Urban/rural composition differences;
- User fee policies;
- Age of infrastructure; and
- Use of reserves.

Note: These measures indicate the total net municipal levy (Upper Tier and Lower Tier) to provide services to the municipality.

Figure 14—2019 Net Levy Per Household Analysis



Source: BMA Municipal Study using 2019 Levy By-laws for each municipality

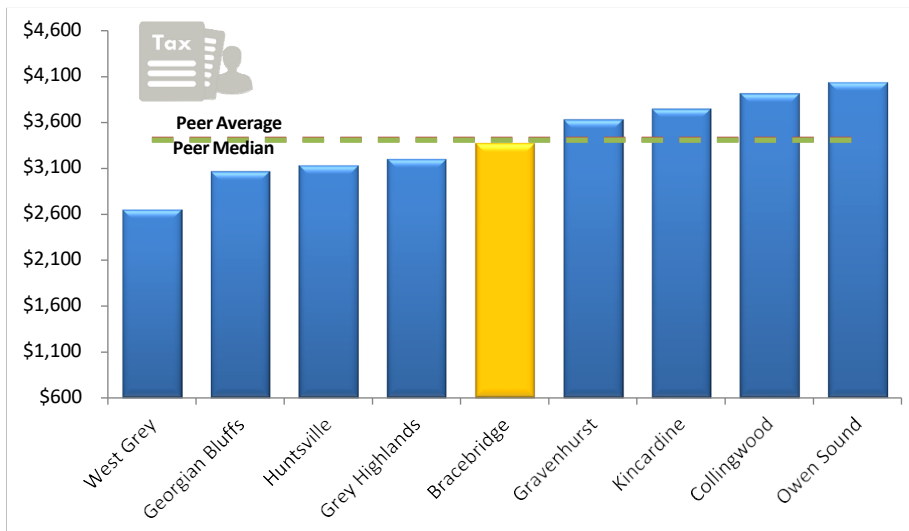
- As shown in figure 14, Bracebridge has a lower than average levy per household.

- A comparison was also made of the 2019 levy per \$100,000 of weighted assessment. This indicator shows the levy in relation to the assessment base upon which taxes are raised.
- Because of the healthy assessment base and lower levy in comparison to the peer municipalities the levy per \$100,000 of assessment is below the survey average.

Levy Trend Analysis

- The next section of the report provides an overview of the trends in the budgeted net levy from 2015-2020.
- The Town includes in its Levy an Operating and Capital component, the combination of which is used to calculate property taxes. There is also a separate urban streetlighting levy that is also charged to urban properties.
- The analysis in this section provides the levies by department over the past 6 years (from 2015-2020).
- **Appendix A** provides a breakdown of each levy; Operating and Capital and focuses on key items of expenditure in each as well as an overview of revenues sources. The data has been summarized using files provided by the Town to allow additional analysis and has been cross referenced to the Town’s 2020 Municipal Budget and Business Plan.

Figure 15—2019 Net Levy Per \$100,000 of Weighted Assessment Analysis



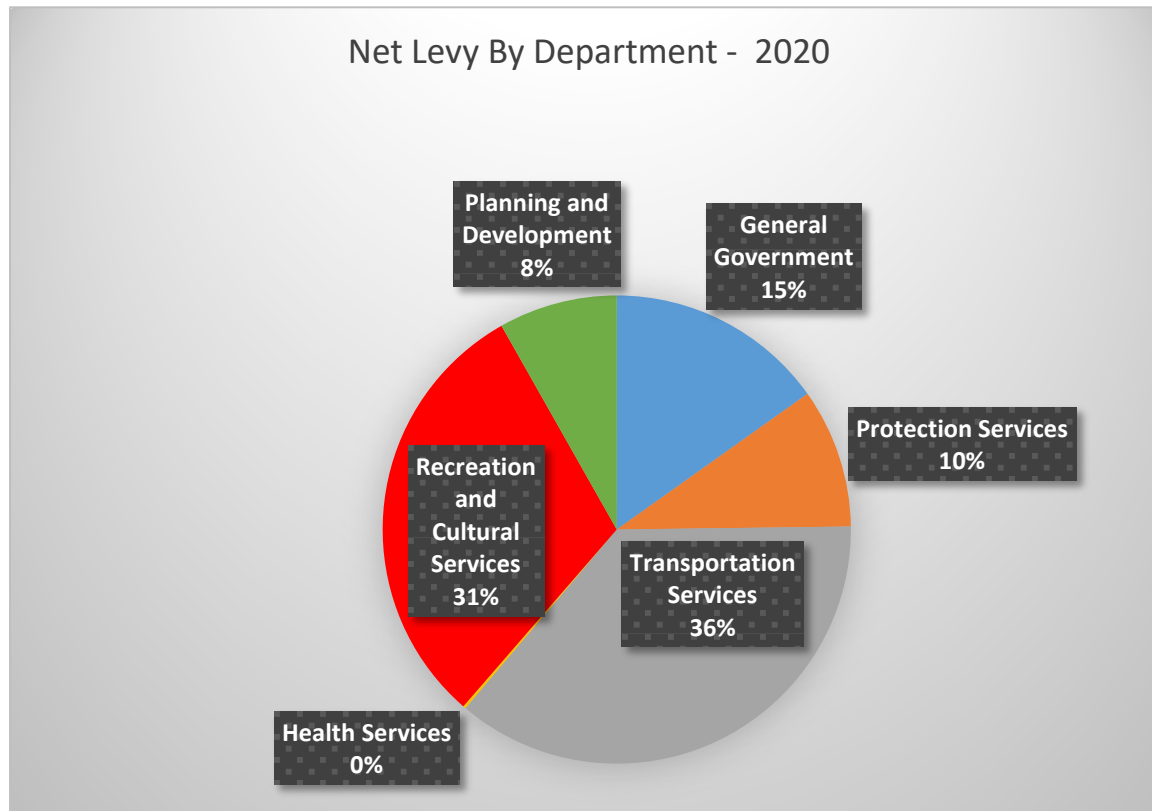
Source: BMA Municipal Study using 2019 Levy By-laws for each municipality

Note: further departmental line-by-line analysis will be provided in a separate report.

Figure 16—Bracebridge Net Levy (Capital and Operating) Trend—2015-2020 by Department

| Operating & Capital Net Levy | Budget - Levy | | | | | | Total \$ Change 2015-2020 | Annual % 2015-2020 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------------|-----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | |
| General Government | | | | | | | | |
| Council | \$ 258,400 | \$ 249,300 | \$ 267,650 | \$ 286,090 | \$ 337,190 | \$ 347,350 | \$ 88,950 | 6.1% |
| Corporate Services | \$ 1,111,800 | \$ 1,358,300 | \$ 1,288,010 | \$ 1,268,640 | \$ 1,406,510 | \$ 1,404,810 | \$ 293,010 | 4.8% |
| Finance | \$ 592,450 | \$ 619,200 | \$ 651,510 | \$ 685,120 | \$ 700,300 | \$ 686,180 | \$ 93,730 | 3.0% |
| Municipal Office | \$ 307,150 | \$ 197,260 | \$ 212,370 | \$ 216,160 | \$ 225,230 | \$ 233,670 | \$ (73,480) | -5.3% |
| | \$ 2,269,800 | \$ 2,424,060 | \$ 2,419,540 | \$ 2,456,010 | \$ 2,669,230 | \$ 2,672,010 | \$ 402,210 | 3.3% |
| Protection Services | | | | | | | | |
| Emergency Planning | \$ 22,000 | \$ 22,000 | \$ 21,750 | \$ 18,750 | \$ 18,250 | \$ 18,250 | \$ (3,750) | -3.7% |
| By-Law Enforcement & Traffic Control | \$ 223,830 | \$ 227,540 | \$ 280,810 | \$ 323,190 | \$ 327,690 | \$ 322,850 | \$ 99,020 | 7.6% |
| Fire Department | \$ 1,030,050 | \$ 1,131,100 | \$ 1,163,950 | \$ 1,428,580 | \$ 1,430,210 | \$ 1,357,100 | \$ 327,050 | 5.7% |
| | \$ 1,275,880 | \$ 1,380,640 | \$ 1,466,510 | \$ 1,770,520 | \$ 1,776,150 | \$ 1,698,200 | \$ 422,320 | 5.9% |
| Transportation Services | | | | | | | | |
| Streetlighting | \$ 337,300 | \$ 311,400 | \$ 308,800 | \$ 305,250 | \$ 286,460 | \$ 304,500 | \$ (32,800) | -2.0% |
| Public Works | \$ 4,334,270 | \$ 4,862,070 | \$ 5,252,430 | \$ 5,769,390 | \$ 5,845,830 | \$ 6,109,360 | \$ 1,775,090 | 7.1% |
| | \$ 4,671,570 | \$ 5,173,470 | \$ 5,561,230 | \$ 6,074,640 | \$ 6,132,290 | \$ 6,413,860 | \$ 1,742,290 | 6.5% |
| Health Services | | | | | | | | |
| Cemeteries | \$ 54,500 | \$ 44,620 | \$ 33,420 | \$ 40,400 | \$ 30,480 | \$ 33,720 | \$ (20,780) | -9.2% |
| | \$ 54,500 | \$ 44,620 | \$ 33,420 | \$ 40,400 | \$ 30,480 | \$ 33,720 | \$ (20,780) | -9.2% |
| Recreation and Cultural Services | | | | | | | | |
| Recreation | \$ 2,798,550 | \$ 2,945,965 | \$ 2,953,810 | \$ 3,005,860 | \$ 3,124,630 | \$ 3,194,030 | \$ 395,480 | 2.7% |
| Library | \$ 816,900 | \$ 854,850 | \$ 919,270 | \$ 936,820 | \$ 1,053,580 | \$ 966,670 | \$ 149,770 | 3.4% |
| Parks & Trails | \$ 551,900 | \$ 565,860 | \$ 542,660 | \$ 587,540 | \$ 745,430 | \$ 1,008,060 | \$ 456,160 | 12.8% |
| Other Facilities | \$ 160,020 | \$ 167,000 | \$ 182,460 | \$ 289,330 | \$ 311,220 | \$ 194,530 | \$ 34,510 | 4.0% |
| | \$ 4,327,370 | \$ 4,533,675 | \$ 4,598,200 | \$ 4,819,550 | \$ 5,234,860 | \$ 5,363,290 | \$ 1,035,920 | 4.4% |
| Planning and Development | | | | | | | | |
| Planning & Development Services | \$ 1,206,980 | \$ 1,121,515 | \$ 1,199,420 | \$ 1,150,040 | \$ 1,150,660 | \$ 1,208,410 | \$ 1,430 | 0.0% |
| Community Support | \$ 233,970 | \$ 152,920 | \$ 175,780 | \$ 193,060 | \$ 228,930 | \$ 235,920 | \$ 1,950 | 0.2% |
| | \$ 1,440,950 | \$ 1,274,435 | \$ 1,375,200 | \$ 1,343,100 | \$ 1,379,590 | \$ 1,444,330 | \$ 3,380 | 0.0% |
| Non-Program | | | | | | | | |
| Non-Program Properties | \$ 66,470 | \$ 42,090 | \$ (4,660) | \$ 133,340 | \$ 137,140 | \$ 149,550 | \$ 83,080 | 17.6% |
| Non-Program Activities | \$ (1,281,600) | \$ (1,228,774) | \$ (1,146,100) | \$ (1,473,260) | \$ (1,332,250) | \$ (1,097,550) | \$ 184,050 | -3.1% |
| Taxation (other) | \$ (765,000) | \$ (734,000) | \$ (615,800) | \$ (629,100) | \$ (754,500) | \$ (745,500) | \$ 19,500 | -0.5% |
| | \$ (1,980,130) | \$ (1,920,684) | \$ (1,766,560) | \$ (1,969,020) | \$ (1,949,610) | \$ (1,693,500) | \$ 286,630 | -3.1% |
| General Levy | \$ 11,722,640 | \$ 12,598,816 | \$ 13,378,740 | \$ 14,229,950 | \$ 14,986,530 | \$ 15,627,410 | \$ 3,904,770 | 5.9% |
| Streetlighting Tax Levy | \$ 337,300 | \$ 311,400 | \$ 308,800 | \$ 305,250 | \$ 286,460 | \$ 304,500 | \$ (32,800) | -2.0% |
| BIA Tax Levy | \$ 172,100 | \$ 172,100 | \$ 172,100 | \$ 172,100 | \$ 177,790 | \$ 181,400 | \$ 9,300 | 1.1% |

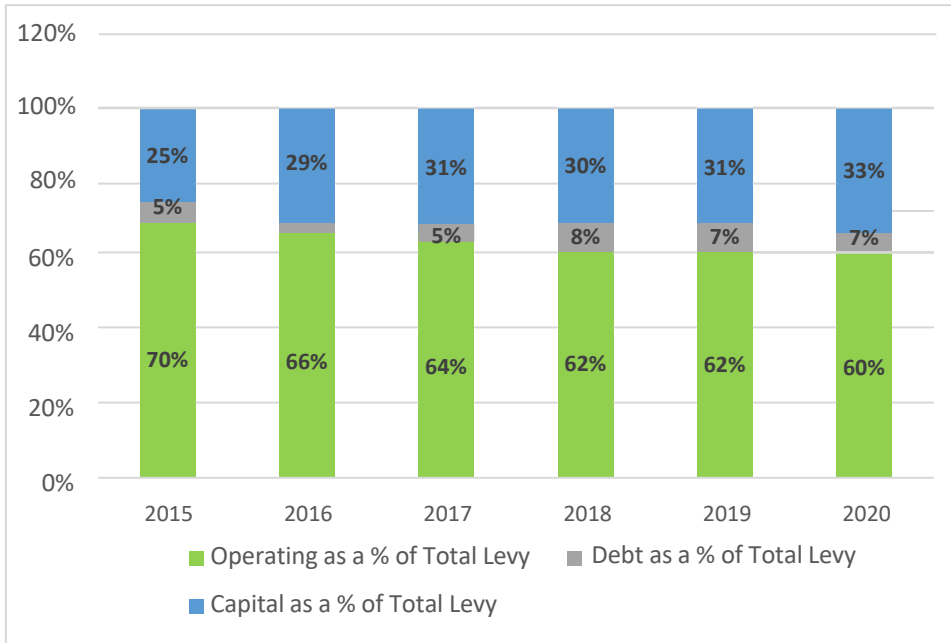
Figure 17—Bracebridge Net Levy (Capital and Operating) Trend—2020 by Department



- Figure 17 reflects the Net Levy (excluding Non-Program which are negative) for 2020 by Department
- **Transportation Services** comprises approximately 36% of the Town’s total Net Levy
- **Recreation and Cultural Services** comprises approximately 31% of the Town’s total Net Levy
- A review of the trend analysis from 2015-2020 reflects very similar proportionate shares for each department

Net Levy (Capital and Operating) Trend

Figure 18—2015-2020 Net Levy Trend by Major Classification



- An analysis was made of the three major tax levy components. This takes into account the **Capital Levy and Operating Levy (also isolates Debt)**. The total comprises the levy that is included in the property taxes that are charged.
- As shown in figure 18, the total capital levy has increased proportionally from 25%-33% and the operating levy has decreased from 70% to 60% from 2015-2020.

Figure 19—2015-2020 Net Levy \$ Change and % Change

| Breakdown of Major Increases | Budget Net Levy | | Total \$ Change 2015-2020 | % of Total Increase 2015-2020 |
|------------------------------|----------------------|----------------------|------------------------------|----------------------------------|
| | 2015 | 2020 | | |
| Operating Net Levy | \$ 8,153,140 | \$ 9,394,950 | \$ 1,241,810 | 31.8% |
| Debt Principal & Interest | \$ 640,200 | \$ 1,073,060 | \$ 432,860 | 11.1% |
| Capital Net Levy | \$ 2,929,300 | \$ 5,159,400 | \$ 2,230,100 | 57.1% |
| Total | \$ 11,722,640 | \$ 15,627,410 | \$ 3,904,770 | 100.0% |

- From 2015-2020 the net levy increase \$3.9 million; \$2.2 million is attributed to an enhanced capital program to support infrastructure replacement, growth and new initiatives. Capital levy accounts for 57% of the increase from 2015-2020.
- Debt repayments account for 11% of the total increase to support capital programs.
- The operating net levy increase by \$1.2 million from 2015-2020.

Affordability

The following table compares total property taxes based on a house valued at \$300,000 as well as the average household income to get an appreciation of the tax burden on a typical home in each municipality.

- Property tax rates in Bracebridge in relation to average household income are 4.0% which is at the peer municipalities' average.









Figure 20—Affordability Comparisons

| Municipality | \$300,000 Assessment | 2019 Lower Tier Tax | 2019 Total Taxes on \$300,000 CVA | 2019 Estimated Average Household Income | Property Taxes as a % of Income |
|-----------------|----------------------|---------------------|-----------------------------------|---|---------------------------------|
| Kincardine | \$ 300,000 | 1.2285% | \$ 3,686 | \$ 128,444 | 2.9% |
| Grey Highlands | \$ 300,000 | 1.0884% | \$ 3,265 | \$ 106,519 | 3.1% |
| Georgian Bluffs | \$ 300,000 | 1.0868% | \$ 3,260 | \$ 98,528 | 3.3% |
| West Grey | \$ 300,000 | 1.1331% | \$ 3,399 | \$ 80,032 | 4.2% |
| Collingwood | \$ 300,000 | 1.1649% | \$ 3,495 | \$ 93,610 | 3.7% |
| Huntsville | \$ 300,000 | 1.1838% | \$ 3,551 | \$ 98,583 | 3.6% |
| Owen Sound | \$ 300,000 | 1.7125% | \$ 5,138 | \$ 73,557 | 7.0% |
| Gravenhurst | \$ 300,000 | 1.2510% | \$ 3,753 | \$ 87,516 | 4.3% |
| Peer Average | \$ 300,000 | 1.2312% | \$ 3,693 | \$ 95,849 | 4.0% |
| Median | \$ 300,000 | 1.1744% | \$ 3,523 | \$ 96,069 | 3.7% |
| Bracebridge | \$ 300,000 | 1.2682% | \$ 3,805 | \$ 96,098 | 4.0% |

Source: BMA Municipal Study (Property Taxes), Average Household Income Manifold Data Mining 2019

Summary—Municipal Levy, Property Taxes and Affordability

| | <i>Indicator</i> | <i>2020 Rating</i> |
|---|--|---|
|  | <i>Municipal Levy Per Household</i> |  |
|  | <i>Municipal Levy Per \$100,000 of Weighted Assessment</i> |  |
|  | <i>Residential Affordability</i> |  |



Section 3: Financial Position

Bracebridge Financial Position

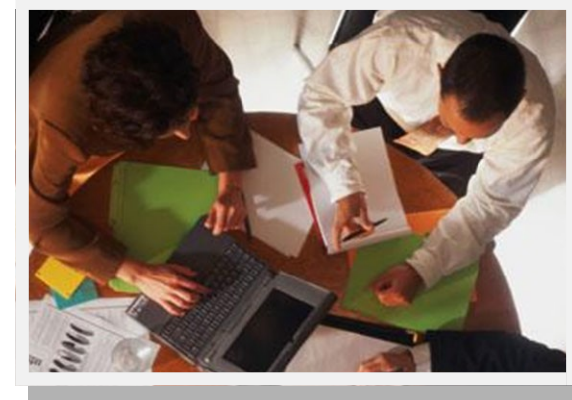
Industry recognized indicators that are used by credit rating agencies and/or recommended by Government Finance Officer's Association (GFOA) and the Ministry of Municipal Affairs and Housing Canadian Institute of Chartered Accountants (CICA) defined financial condition of a municipality's financial health as:

Sustainability

- **Financial Position per household** of a municipality is important to consider as this takes into consideration the municipality's total financial assets and liabilities.
- **Asset Consumption Ratio** highlights the relative age of the assets and the potential timing of asset replacements.

Vulnerability

- **Taxes Receivable as a percentage of Taxes Levied** is an indicator of the economic health of the community.



Flexibility

- **Reserves/Reserve Funds** are established by Council to assist with long term financial stability and financial planning. Credit rating agencies consider municipalities with higher reserves more advanced in their financial planning.
- **Debt** is an important indicator of the municipality's financial health. Debt is an appropriate way of financing longer life items, especially new assets or new corporate initiatives that are not fully recovered through DCs since future taxpayers, that receive the benefit, will also pay through future debt charges. However, when debt levels get too high, it compromises the municipality's flexibility to fund programs and services.

Introduction to Reserves and Reserve Funds

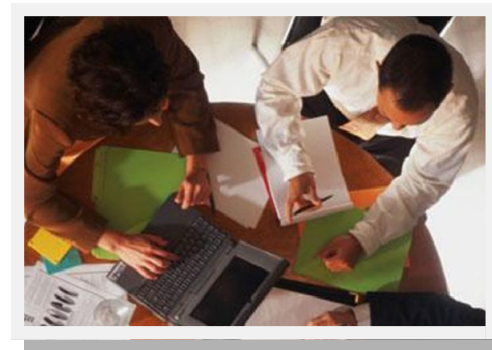
Maintaining sufficient reserves and reserve funds is a critical component of long-term financial planning. The purposes for maintaining reserves are:

- ✓ To provide **stabilization** in the face of variable and uncontrollable factors (growth, interest rates, changes in subsidies);
- ✓ To ensure adequate and **sustainable cash flows**;
- ✓ To provide financing for **one-time** or short term requirements without permanently impacting the tax rates;
- ✓ Accumulate the funding for the **replacement of capital assets** to sustain infrastructure;
- ✓ To provide **flexibility** to manage debt levels and protect the Town's financial position; and
- ✓ To provide for **future liabilities** incurred in the current year, but paid for in future years.

The Town of Bracebridge maintains numerous Discretionary and Obligatory Reserve/Reserve Funds.

Obligatory Reserve Funds are created whenever a statute requires revenue received for special purposes to be segregated from the general revenues of the municipality. Obligatory reserve funds can only be used for their prescribed purpose. Examples include Development Charges Reserve Funds, Gas Tax Reserve Funds, Parkland Reserve Fund.

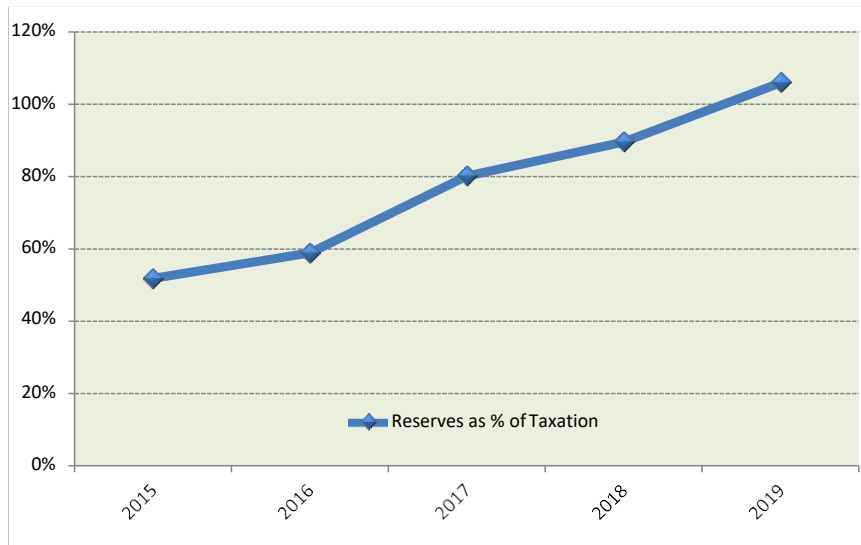
Discretionary Reserve Funds are established, based on Council direction, to finance future expenditures for which the Town has the authority to spend money or to provide for a specific contingent liability.



Discretionary Reserves/Reserve Funds as a % of Taxation

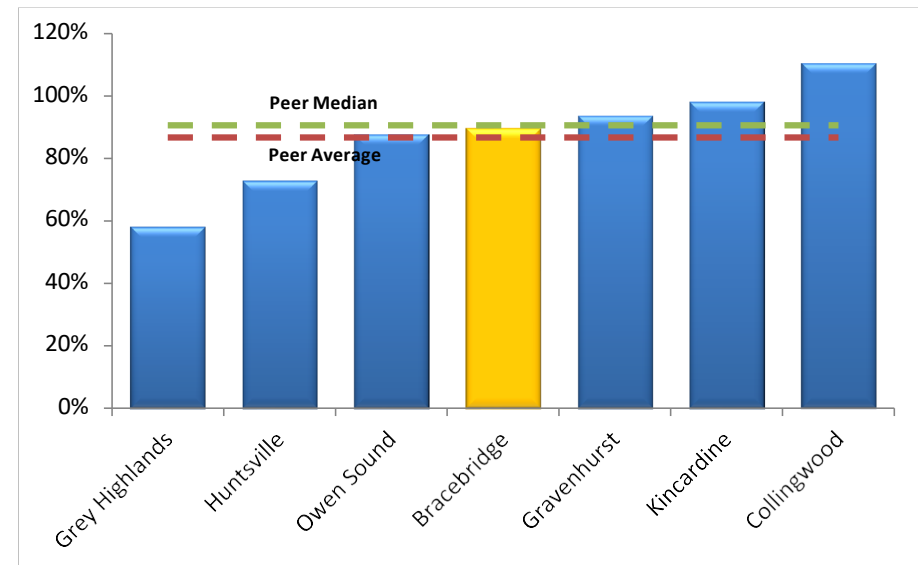
- The discretionary reserves/reserve funds as a percentage of taxation was evaluated, both the trends, as well, in relation to other peer municipalities. Note that this excludes obligatory reserve funds, (e.g. Development Charges).
- Reserves as a % of taxation provide a measure of the financial health of a municipality.
- Low levels of reserves are indicative of a limited capacity to deal with cost increases or revenue losses, requiring the Town to revert to taxation or user fee increases or the issuance of debt.
- The Town’s discretionary reserves have been trending up since 2015, as shown in figure 21.

Figure 21—Tax Discretionary Reserves/RF as a % of Taxation



- For benchmarking purposes Financial Information Returns (FIRs) were used to compare discretionary reserves as a percentage of taxation.
- As shown in figure 22, the Town of Bracebridge tax discretionary reserves as a percentage of taxation are at the survey average.

Figure 22—2018 Tax Discretionary Reserves/RF as a % of Taxation



Source: FIRs

Summary of Reserves and Reserve Funds

Figure 23—Reserves/Reserve Funds 2015-2019 Balances—Tax

| Reserve and Reserve Funds (000's) | | | | | | | Projected |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------|-----------------------|
| Reserve & Reserve Fund Balances | 2015 | 2016 | 2017 | 2018 | 2019 | 5 Year Change % | 2020 |
| Reserve Funds | \$ 1,717,687 | \$ 1,337,802 | \$ 1,674,317 | \$ 2,336,904 | \$ 3,023,719 | 76% | \$ 698,619 |
| Discretionary Reserves | | | | | | | |
| Capital Reserves | \$ 3,868,917 | \$ 4,457,709 | \$ 6,547,478 | \$ 7,204,012 | \$ 7,312,130 | 89% | \$ 2,580,410 |
| Stabilization Reserves | \$ 3,047,640 | \$ 3,602,306 | \$ 4,859,743 | \$ 5,456,280 | \$ 5,845,840 | 92% | \$ 3,959,740 |
| Special Purpose Reserves | \$ 1,886,196 | \$ 1,852,579 | \$ 1,676,013 | \$ 2,375,941 | \$ 3,024,106 | 60% | \$ 3,023,016 |
| Total Discretionary Reserves | \$ 8,802,752 | \$ 9,912,594 | \$ 13,083,234 | \$ 15,036,232 | \$ 16,182,077 | 84% | \$ 9,563,167 |
| Total Reserves/Reserve Funds | \$ 10,520,439 | \$ 11,250,396 | \$ 14,757,551 | \$ 17,373,136 | \$ 19,205,795 | 83% | \$ 10,261,785 |
| Less Self-Financed Option | \$ (2,369,443) | \$ (2,103,543) | \$ (1,837,643) | \$ (1,576,743) | \$ (1,315,843) | 44% | \$ (1,054,943) |
| Total Reserves/Reserve Funds | \$ 8,150,995 | \$ 9,146,853 | \$ 12,919,907 | \$ 15,796,393 | \$ 17,889,952 | 100% +++ | \$ 9,206,842 |

Source: Town’s year end reserve report

The total reserves and reserve funds (excluding self-financing) have increased by 83%. As shown above:

- **Reserve Funds** have increased 76% from 2015-2019. These reserves include DCs, Federal Gas Tax, Parkland
- **Capital Reserves** have increased 89% from 2015-2019 but is expected to decrease considerably in 2020 to support the capital program.
- **Stabilization Reserves** have increased 92% from 2015-2019 but is also expected to decrease in 2020. This includes the Tax Stabilization Reserve and Building Permit Fee Reserve.
- **Special Purpose Reserve** have increased 60% from 2015-2019. These include numerous reserves for various Council initiatives.

Summary of Capital Reserves

Figure 24—Reserves/Reserve Funds 2015-2019 Balances

| Reserve & Reserve Fund Balances | Reserve and Reserve Funds (000's) | | | | | 5 Year | Projected |
|---------------------------------|-----------------------------------|---------------------|---------------------|---------------------|---------------------|------------|---------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | Change % | 2020 |
| General Government | \$ 156,576 | \$ 500,370 | \$ 723,370 | \$ 788,183 | \$ 1,050,031 | 100% +++ | \$ 776,881 |
| Fire Department | \$ 263,714 | \$ (152,759) | \$ 681,941 | \$ 926,050 | \$ 748,581 | 100% +++ | \$ 911,581 |
| By-Law Enforcement | \$ 32,000 | \$ 39,000 | \$ 13,987 | \$ 21,487 | \$ 28,487 | -11% | \$ 35,487 |
| Public Works | \$ 723,580 | \$ 808,809 | \$ 1,146,804 | \$ 1,400,983 | \$ 743,137 | 3% | \$ 63,487 |
| PW MTO One-Time | \$ 80 | \$ - | \$ - | \$ - | \$ - | -100% | \$ - |
| Streetlighting | \$ 20,621 | \$ 20,621 | \$ 20,621 | \$ 20,621 | \$ 20,621 | 0% | \$ 20,621 |
| Cemetery | \$ 122,797 | \$ 87,805 | \$ 63,203 | \$ 63,203 | \$ 82,203 | -33% | \$ 12,203 |
| Parks & Trails | \$ 139,348 | \$ 141,678 | \$ 55,413 | \$ - | \$ 54,500 | -61% | \$ - |
| Recreation | \$ 220,489 | \$ 283,004 | \$ 330,235 | \$ 125,820 | \$ 77,760 | -65% | \$ 50,610 |
| Library | \$ 55,245 | \$ 95,245 | \$ 165,245 | \$ 230,245 | \$ 217,418 | 100% +++ | \$ 215,418 |
| Woodchester Villa | \$ 33,785 | \$ 46,285 | \$ 57,785 | \$ 61,893 | \$ 47,393 | 40% | \$ 2,893 |
| Planning and Development | \$ 157,343 | \$ 157,629 | \$ 127,578 | \$ 127,578 | \$ 140,780 | -11% | \$ 97,030 |
| Bird Mill Mews | \$ 74,151 | \$ 74,151 | \$ 74,151 | \$ 48,404 | \$ - | -100% | \$ - |
| Oakley Village Square | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | 0% | \$ 3,000 |
| Investing in Ontario | \$ 172,888 | \$ 172,888 | \$ 172,888 | \$ - | \$ - | -100% | \$ - |
| Major Infrastructure | \$ 1,689,019 | \$ 2,150,384 | \$ 2,880,384 | \$ 3,350,384 | \$ 4,058,384 | 100% +++ | \$ 363,364 |
| Annie Williams Memorial Park | \$ 4,280 | \$ 29,599 | \$ 30,871 | \$ 36,160 | \$ 39,833 | 100% +++ | \$ 27,833 |
| Capital Reserves TOTAL | \$ 3,868,917 | \$ 4,457,709 | \$ 6,547,478 | \$ 7,204,012 | \$ 7,312,130 | 89% | \$ 2,580,410 |

Source: Town's year end reserve report

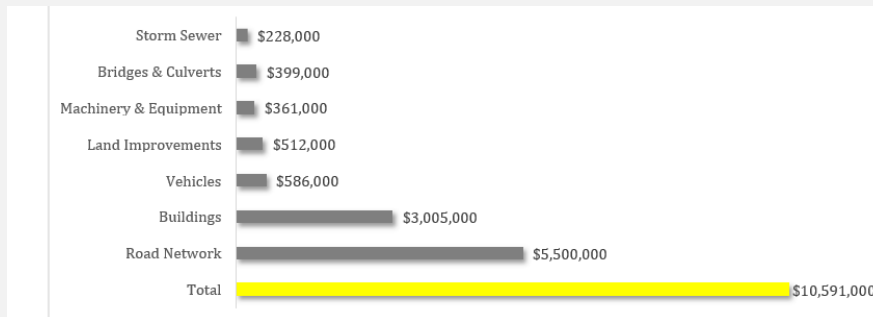
Purpose

Capital Reserves are used to assist in financing the capital program. They provide flexibility and liquidity as well as enhancing the Town's capacity to handle current and future capital infrastructure needs. Capital assets must be supported by contributions to Reserves to address their eventual rehabilitation and/or replacement. Capital Reserves and Reserve Funds form an important component of any Capital Financing Plan and are used extensively by the Town in financing the capital program for maintenance and replacement of capital assets.

Asset Management

Asset Management Plan Excerpts (2017)

- The Town of Bracebridge infrastructure portfolio comprises the following asset classes: road network, bridges & culverts, buildings, stormwater management, machinery & equipment, land improvements, and vehicles.
- The asset classes analyzed in this asset management plan for the municipality had a total 2016 valuation of \$203 million, of which roads comprised 45%, followed by buildings at 33%.
- The average annual investment requirement is \$10.6 million. Which will require a 20 year phase-in strategy to reach this target. The following graph provide a summary of the average annual requirements:



Reserves play a critical role in long-term financial planning. The benefits of having reserves available for infrastructure planning include: the ability to stabilize tax rates when dealing with variable and sometimes uncontrollable factors; financing one-time or short-term investments; accumulating the funding for significant future infrastructure investments; managing the use of debt; and, normalizing infrastructure funding requirements.

Strategy includes full funding being achieved over 20 years by:

- Increasing tax revenues by 2.3% each year for the next 20 years solely for the purpose of phasing in full funding to the tax funded asset classes covered in this AMP.
- Allocating the current gas tax and OCIF revenue and scheduled increases to the infrastructure deficit as they occur.
- Increasing existing and future infrastructure budgets by the applicable inflation index on an annual basis in addition to the deficit phase-in.

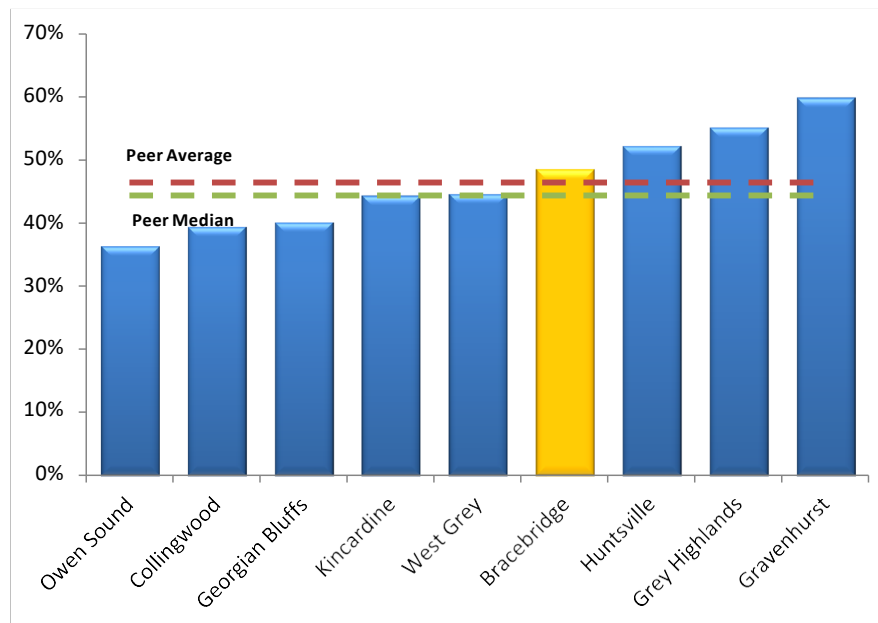
Additional Strategies in 2020

- With the uncertainty of OMPF funding for 2020 and subsequent years, similar pressures are likely to arise during the development of the operating budget. Since, by its nature, the operating budget has limited flexibility, and funding reductions would likely have to be offset with a service delivery change, the operating budget should be funded by predictable, consistent and controlled sources of revenue, like taxation and user fees.
- As a result, commencing in 2020, allocations of OMPF has been given to the capital program. This change will decrease reliance of the operating budget on funding that is uncertain for future years.

Asset Consumption Ratio

- The asset consumption ratio shows the written down value of the tangible capital assets relative to their historical costs. This ratio highlights the relative age of the assets and the potential timing of asset replacements.
- This indicator provides an estimate of the useful life left in the municipality’s capital assets. Municipalities are facing significant infrastructure challenges. Therefore, it is important to keep informed of the age and condition of its capital assets to ensure they are making timely and appropriate investments.

Figure 25—Asset Consumption Ratio

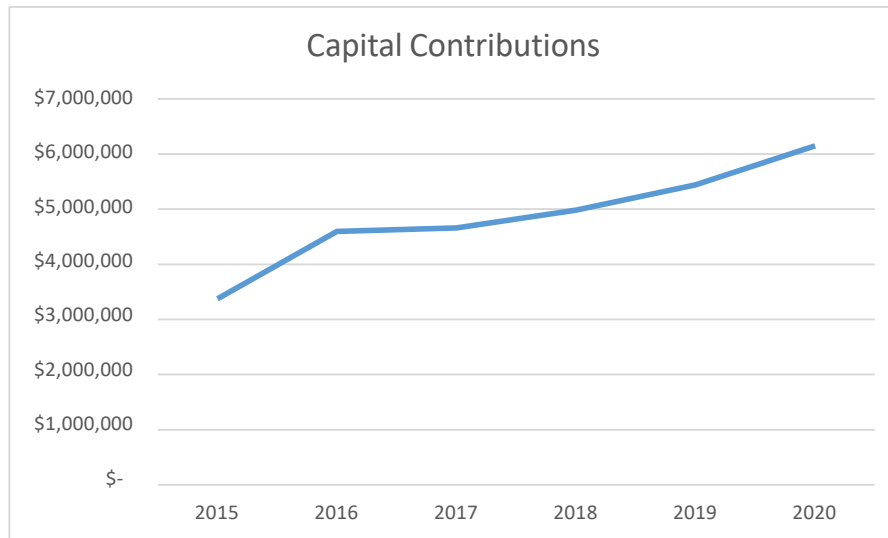


Interpretations

- This ratio shows the value of the tangible capital assets that have been consumed. This ratio seeks to highlight the aged condition of the assets and the potential asset replacement needs.
- A higher ratio may indicate significant replacement needs. However, if assets are renewed and replaced in accordance with an asset management plan a high ratio should not be a cause for concern.
- The Ministry of Municipal Affairs and Housing considers a ratio of 25% or under to be relatively new; 26%-50% to be moderately new; 51%-75% to be moderately old and over 75% to be old.
- Bracebridge’s asset consumption ratio is 46% considered to be moderately new but above the peer average.

Capital Contributions

- The following graph reflects the capital contributions over since 2015.



- In accordance with the AMP, an analysis was undertaken of the average annual investment requirements against the existing budgeted contributions over the past 5 years.

Capital Contributions

| Budget (000's) | 2016 AMP | 2017 | 2018 | 2019 | 2020 |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Capital Levy (Taxes) | \$ 3,177 | \$ 4,189 | \$ 4,300 | \$ 4,644 | \$ 3,555 |
| OMPF | \$ - | \$ - | \$ - | \$ - | \$ 1,605 |
| OCIP | \$ 55 | | | | |
| Gas Tax | \$ 469 | \$ 469 | \$ 681 | \$ 796 | \$ 991 |
| Total Funding Available | \$ 3,701 | \$ 4,657 | \$ 4,981 | \$ 5,440 | \$ 6,151 |
| Average Annual Requirements | \$ 10,591 | \$ 10,591 | \$ 10,591 | \$ 10,591 | \$ 10,591 |
| Funding Gap | \$ (6,890) | \$ (5,934) | \$ (5,610) | \$ (5,151) | \$ (4,440) |


- From 2015 to 2020 capital contributions have increased by 82%, due largely to the implementation of prudent financial policies and strategies employed, however, is short of the recommended average annual contribution by \$4.4 million.
- As stated in the Town’s 2019 Reserve Report, “it is clear that the Town’s combined reserve and reserve fund balances are not sufficient to meet the Town’s capital investment requirements over the next ten years. However, Council’s commitment to implement a comprehensive capital financing program that includes continued commitment to dedicating taxation revenue for capital requirements, increasing annual reserve contributions, using long term debt financing, and leveraging upper level government funding, will allow the Town to achieve its long term goals”.

Observations & Recommendations

- The Town has a decentralized approach to asset management resulting in 17 Capital Reserves.
- The number of separate reserves requires considerable administration and the maintenance of reserve with similar purposes does not appear to be justified in all cases. There are a number of reserves that could be consolidated to improve financial flexibility. This is an option that a number of municipalities have undertaken to help in the corporate prioritization process.

Leading Practices—Capital Reserve and Reserve Funds

- The Town’s infrastructure is aging, and funds must be committed to ensure it is properly maintained and renewed. The infrastructure is subject to time-varying pressures such as aging, deterioration, increasing demand, and climate that affect the current state and overall long term performance. The Town has an obligation to protect its investment and strike a balance between new/enhanced facilities and the proper maintenance of existing infrastructure.
- New asset acquisition and construction is subject to a cost-benefit analysis that considers lifecycle costing and ongoing operating costs. All assets will be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs.
- Planned contributions to Capital Reserves have contributed to the success of the Town’s financial management program.
- Determine future capital reserve requirements based on the inventory of tangible capital assets, the condition of the assets, the useful life of the assets and their disposal value.
- Contribute to Capital Reserves for the replacement/refurbishment of capital assets to reduce the reliance on debt financing for replacement of existing assets.

| | <i>Target</i> | <i>Year 4 (2020) Contribution</i> | <i>20 Year Target</i> | <i>Target Evaluation</i> |
|----------------|--|-----------------------------------|-----------------------|---|
| Capital | Closing the infrastructure gap over a period of 20 years | \$6.1 million | \$10.6 million |  |

Source: Town’s approved Budgets

Figure 26—Stabilization Reserve and Reserve Fund Targets

| Reserve and Reserve Funds (000's) | | | | | | | Projected |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------|---------------------|
| Reserve & Reserve Fund Balances | 2015 | 2016 | 2017 | 2018 | 2019 | 5 Year Change % | 2020 |
| Tax Rate Stabilization | \$ 2,898,816 | \$ 3,431,292 | \$ 4,527,093 | \$ 4,889,711 | \$ 5,007,809 | 73% | \$ 3,143,109 |
| Building Fees | \$ 148,824 | \$ 171,015 | \$ 332,650 | \$ 566,568 | \$ 838,032 | 100% +++ | \$ 816,632 |
| Stabilization Reserves TOTAL | \$ 3,047,640 | \$ 3,602,306 | \$ 4,859,743 | \$ 5,456,280 | \$ 5,845,840 | 92% | \$ 3,959,740 |

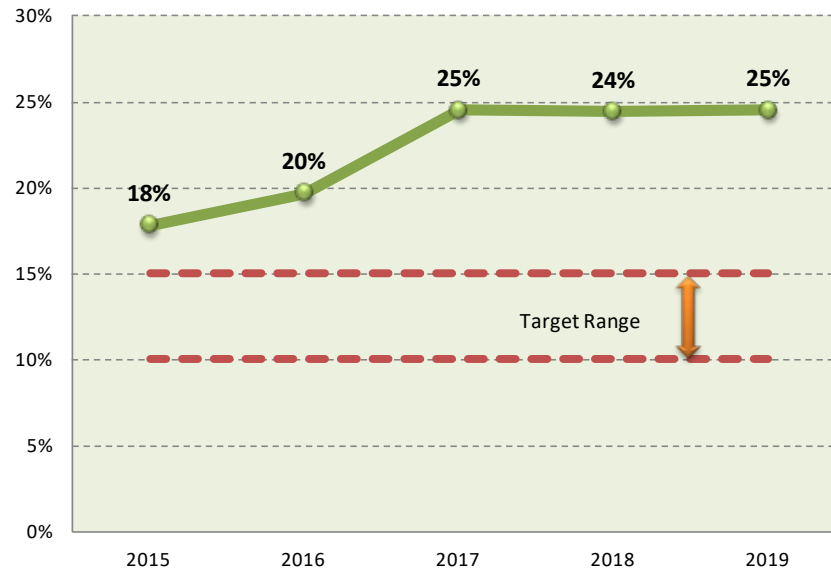
Purpose

In accordance with leading practices, the Town holds stabilization reserves to offset extraordinary and unforeseen expenditure requirements, one-time expenditures, revenue shortfalls, to avoid wide fluctuations on the General Levy and to manage cash flows. The Town also has a reserve fund for building permit fees which is a segregated fund which can only be used for expenditures and shortfalls related to building permit activity.

Leading Practices - Stabilization Reserves/Reserve Funds

- A prudent level of Stabilization Reserves/Reserve Funds is maintained to protect against reducing service levels or raising taxes because of temporary revenue shortfalls or unanticipated expenditures.
- The use of Stabilization Reserves/Reserve Funds is restricted to extraordinary or unforeseen events and not used to balance Operating Budgets.
- Segment Stabilization Reserves/Reserve Funds for those programs that are funded by user fees and permit revenues where there is significant fluctuation in activity from year to year to ensure that the funds are available to address any future revenue shortfalls.
- Minimum balances, ceilings and targets are established, where appropriate, to provide a guideline for Stabilization Reserve balances.

Figure 27—Bracebridge’s Stabilization Reserves/Reserve Funds as a % of Own Source Revenues (2014-2018)



Source: Town’s year end reserve report

- Credit rating agencies consider 10%-15% of Stabilization Reserves as a percentage of Own Source Revenues as good. GFOA states that municipalities should maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

| | <i>Recommended Target/Description</i> | <i>2019 Available Reserves</i> | <i>2019 Target</i> | <i>Target Evaluation</i> |
|-----------------------------------|--|--------------------------------|----------------------------|--------------------------|
| Tax Stabilization Reserves | The target balance for the consolidated Tax Stabilization Reserves/ Reserve Funds (excluding Building Permit Stabilization Reserve Fund) will be set at 10%-15% of the Town’s own source revenues. | \$5.0 million | \$1.6—\$2 million | ✓ |
| Building Permit Fee | Recommended target is a balance equal to 100%-200% of operating expenditures which may be used to stabilize building permit fees in years with lower activity. | \$0.84 million | \$08 million—\$1.6 million | ✓ |

Figure 28—Special Purpose Reserves

| Reserve & Reserve Fund Balances | Reserve and Reserve Funds (000's) | | | | | 5 Year | Projected |
|--|-----------------------------------|---------------------|---------------------|---------------------|---------------------|------------|---------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | Change % | 2020 |
| Election | \$ 20,000 | \$ 45,000 | \$ 75,000 | \$ 11,710 | \$ 41,710 | 100% +++ | \$ 71,710 |
| Emergency Planning | \$ 102,700 | \$ 118,700 | \$ 134,700 | \$ 150,700 | \$ 70,250 | -32% | \$ 166,700 |
| From Land Disposition | \$ 416,041 | \$ 361,407 | \$ 246,289 | \$ 1,056,228 | \$ 1,293,474 | 100% +++ | \$ 1,681,674 |
| PW Environmental/Operating | \$ 811,613 | \$ 811,613 | \$ 838,658 | \$ 773,658 | \$ 703,999 | -13% | \$ 677,999 |
| Downtown Snow Clearing | \$ 30,000 | \$ - | \$ - | \$ - | \$ - | -100% | \$ - |
| Community Improvement Plan | \$ 72,677 | \$ - | \$ - | \$ - | \$ - | -100% | \$ - |
| Economic Development | \$ 5,000 | \$ 57,000 | \$ 46,250 | \$ 46,250 | \$ 56,250 | 100% +++ | \$ 10,000 |
| MSBC | \$ 68,055 | \$ 104,291 | \$ 97,604 | \$ 91,916 | \$ 107,783 | 58% | \$ 94,883 |
| BIA - General | \$ 75,775 | \$ 58,385 | \$ 34,114 | \$ 31,661 | \$ 32,101 | -58% | \$ 18,611 |
| Doctor Recruitment | \$ 48,321 | \$ 48,321 | \$ 48,321 | \$ 48,321 | \$ 48,321 | 0% | \$ 48,321 |
| Transit | \$ 195,755 | \$ 128,213 | \$ 29,838 | \$ 29,838 | \$ 24,068 | -88% | \$ 45,568 |
| General Government | \$ 21,413 | \$ 72,653 | \$ 74,943 | \$ 74,943 | \$ 88,458 | 100% +++ | \$ 13,258 |
| Inaugural Expenses | \$ 1,300 | \$ 2,600 | \$ 3,900 | \$ - | \$ 6,600 | 100% +++ | \$ 13,200 |
| Low Traffic Volume Roads | \$ 9,455 | \$ 9,455 | \$ 9,455 | \$ 9,455 | \$ - | -100% | \$ - |
| Dog Park | \$ 228 | \$ 1,378 | \$ 2,378 | \$ 3,378 | \$ - | -100% | \$ - |
| Gol Friendship | \$ 5,861 | \$ 5,861 | \$ 5,861 | \$ 10,861 | \$ 861 | -85% | \$ 5,861 |
| Library Expansion | \$ 2,000 | \$ 13,288 | \$ 14,288 | \$ 15,688 | \$ 16,863 | 100% +++ | \$ 16,863 |
| BIA - Snow Clearing | \$ - | \$ 14,413 | \$ 14,413 | \$ 21,333 | \$ 21,603 | 0% | \$ 21,603 |
| Modernization Fund | \$ - | \$ - | \$ - | \$ - | \$ 506,002 | 0% | \$ 131,002 |
| Multi-Use Community Centre | \$ - | \$ - | \$ - | \$ - | \$ 5,763 | 0% | \$ 5,763 |
| Special Purposes Reserves TOTAL | \$ 1,886,196 | \$ 1,852,579 | \$ 1,676,013 | \$ 2,375,941 | \$ 3,024,106 | 60% | \$ 3,023,016 |

Source: Town's year end reserve report

Special Purpose Reserves

Purpose

Program Specific Reserves are set aside for specific purposes. These reserves and reserve funds are restricted funds only to be used for their identified purpose. These types of reserves and reserve funds may also include special one time purchases or activities approved by Council.

Leading Practices - Program Specific Reserves

In establishing all Special Purpose Reserves, the following information is included:

- Purpose
- Estimated timeframe
- Funding source
- Use of the reserve fund and how funds will be drawn from the fund
- Monitoring mechanisms
- Special Purpose Reserves should be reviewed annually and have an associated financial plan.
- The Town has 20 other reserves for program specific purposes.

Special Purpose Reserves Findings and Observations

- **Modernization Fund Reserve:** The Town received \$604,110 from the Province to support efforts in becoming more efficient and reducing expenditure growth in the longer term. The 2020 Municipal Budget and Business Plan included a number of projects that will utilize much of this funding. This is a temporary reserve with the majority of the funds being used in 2020.
- **Land Disposition Reserve:** Contributions to the Land Disposition Reserve are made up of net proceeds collected from the sale of municipal property, including road allowances. This reserve has increased over 100% since 2015.
- Several reserves have no balances or sources of funding for several years and should be reviewed to determine if there is an ongoing need (e.g. Downtown Snow Clearing and Community Improvement Plan). Further, targets should be established for each program and reviewed annually.

Debt Management

Municipalities have limited options with respect to raising funds to support municipal programs and services. As discussed earlier, the Town of Bracebridge is not unique, as virtually all municipalities across Ontario are facing increasing infrastructure backlogs, funding gaps, and increasing financial pressures in infrastructure management. These challenges have been driven by several trends over the last decade, specifically:

- Aging infrastructure that create large needs for capital replacement, renewal, and rehabilitation
- Limited ability to raise funds from property taxes, due to public and business resistance to increases in property taxes
- Resulting competition for resources, from other municipal responsibilities, growth and new initiatives

Prudent issuance of debt is an efficient use of available financial resources, however, when municipalities issue debentures, they enter into a long-term commitment that requires them to make principal and interest payments over the life of the debentures.

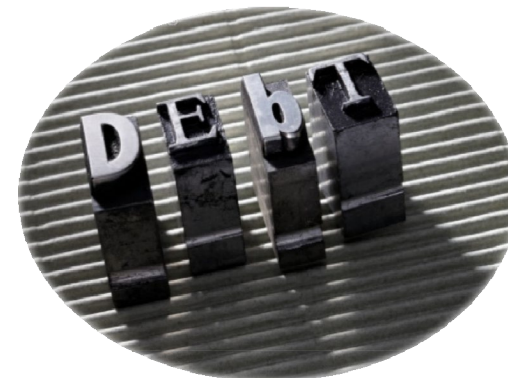
One of the challenges associated with issuing debt occurs when a municipality does not have a supporting debt policy. In this circumstance there is a risk that the municipality will take on too much debt that cannot be supported by the growth, resulting in reduced future financial sustainability and flexibility. Increasing levels of tax supported debt that are growing faster than tax revenues will also begin squeezing out other programs and future capital priorities and also reduce the amount of discretionary spending in the operating budget.

To mitigate these concerns, municipalities need to strike a balance with debt. Too little debt can severely restrict the funds available for financing infrastructure, while too much debt is fiscally unsustainable over the long-term.

Hence, municipalities need to ensure that:

- Future debt service payments can be made in full and on time, without jeopardizing the provision of essential services;
- Outstanding debt obligations will not threaten long-term financial stability of the municipality; and
- The amount of outstanding debt will not place undue burden on residents and businesses.

The Town has an approved debt policy in accordance with leading practices.



Bracebridge's Debt Management Policies Excerpts

- Debt financing may be used to fund capital projects where the estimated useful life of the resulting asset exceeds twenty (20) years, particularly those related to growth and service enhancements.
- Debt financing should be avoided as a source of funding for normal rehabilitation and lifecycle renewal projects.
- Where practicable, long-term debt should be issued upon substantial completion of a project or substantial completion of a discernable phase of a project.
- The time for a long-term debt instrument to reach maturity should not exceed half of the useful life of the asset for which it is intended to fund, not to exceed forty (40) years.
- Upon maturity, expired debt servicing obligations should first be considered for a capital reserve transfer to provide funding for future lifecycle costs of the related asset, upon review by the Director of Finance/Treasurer or designate.
- Annual debt servicing costs shall be budgeted for, and paid, in the year that they come due.
- Long-term debt proceeds may be invested in accordance with the Town's Investment Policy until such time as the funds are required.

Debt Limits

- The Act provides the authority and imposes restrictions concerning a municipality's ability to issue debt, such that the annual principal and interest payments cannot exceed 25% of own source revenues. Own source revenues exclude government grants, development charges, gains or losses on disposal of assets, revenue from other municipalities and other unique forms of revenue.
- The Town's annual debt repayment limits will be established with a **goal of not exceeding 10% of own source revenues**, but shall not exceed 25%, or such thresholds established by the Province of Ontario.

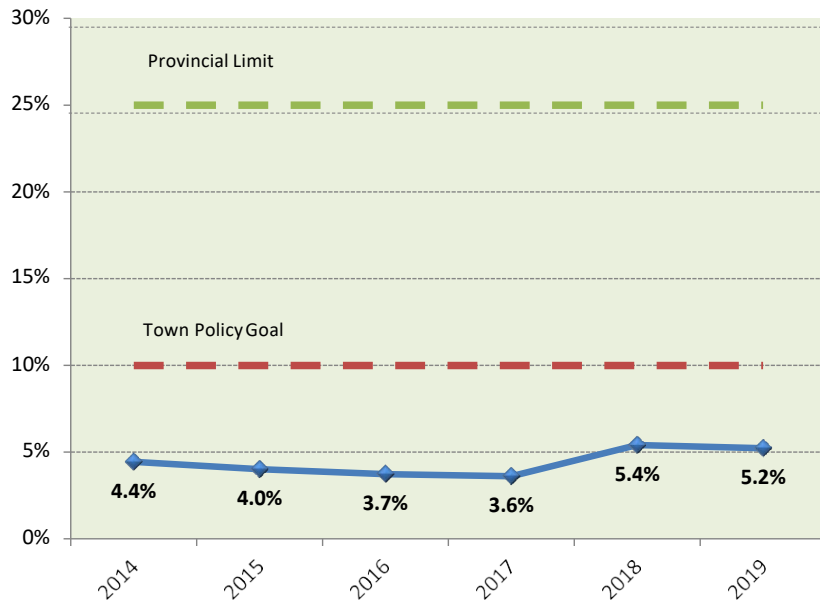
Debt Indicators Trend Analysis

In order to evaluate debt, a number of debt indicators have been used based on leading practice research. These measures can reveal:

- Increasing reliance on debt;
- Decreasing financial flexibility; and
- The amount of debt a community can absorb.

Debt Service is the amount of principal and interest that a municipality must pay each year to service the debt (principal and interest expenses). As debt service increases it reduces expenditure flexibility. The debt service ratio is the debt expenses as a percentage of own source revenues.

Figure 29—Debt Service Ratio Trend



As shown in Figure 29, the Bracebridge’s debt service ratio in 2019 at 5.2% is below the Ministry threshold of 25% and has remained relatively consistent over the five year period. The Town has an internal goal which states that the debt charges as a percentage of own source revenues should not exceed 10%. This is a prudent policy and one that leading practice municipalities adhere to, particularly for tax supported programs and services.

Figure 30—2018 Debt Service Ratio Comparison

| Municipality | Tax Debt Charges as % of Own Source Revenue |
|-----------------|---|
| West Grey | 0.2% |
| Kincardine | 3.2% |
| Georgian Bluffs | 0.0% |
| Grey Highlands | 5.3% |
| Collingwood | 5.0% |
| Huntsville | 5.0% |
| Owen Sound | 5.1% |
| Gravenhurst | 9.6% |
| Average | 4.2% |
| Median | 5.0% |
| Bracebridge | 5.4% |

Source: FIRs

As shown in figure 30, the Town’s debt service ratio is above the average of peer municipalities but well below the Town’s target and Ministry limits. The Town’s 10 year capital plan includes the issuance of an additional \$12 million (2021-2022) which will increase the ratio, moving toward the Town’s goal.

Figure 31–2018 Debt to Reserve Ratio , Trend and Peer Comparator

| Municipality | Debt to Reserve Ratio |
|--------------------|-----------------------|
| West Grey | 0.09 |
| Kincardine | 0.09 |
| Georgian Bluffs | 0.13 |
| Grey Highlands | 0.40 |
| Collingwood | 0.52 |
| Huntsville | 0.68 |
| Owen Sound | 0.90 |
| Gravenhurst | 1.28 |
| Average | 0.51 |
| Median | 0.46 |
| Bracebridge | 0.75 |

| Year | Debt to Reserve Ratio |
|------|-----------------------|
| 2014 | 0.64 |
| 2015 | 0.80 |
| 2016 | 0.61 |
| 2017 | 0.96 |
| 2018 | 0.75 |

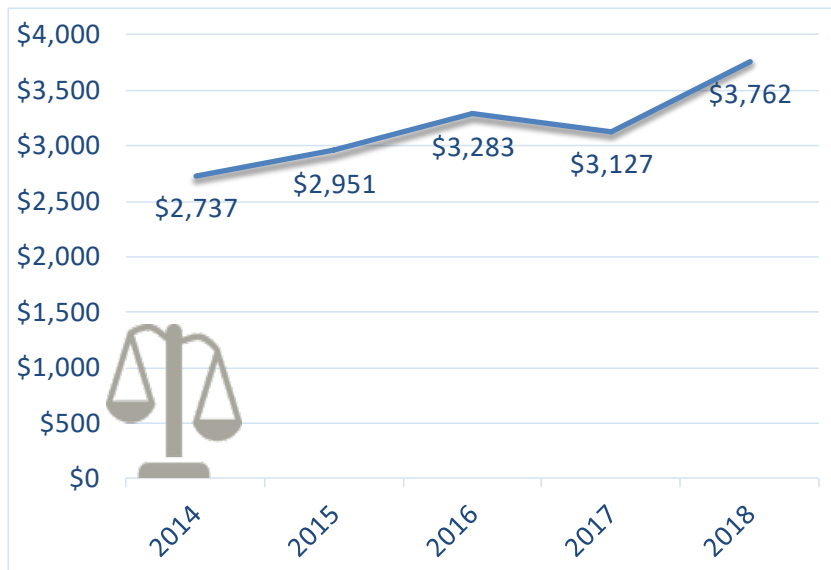
Source: FIRs

- Credit rating agencies consider a debt to reserve ratio of 1:1 as good.
- The Town’s debt to reserve ratio in 2018 was 0.75:1, above the survey average, reflecting strong levels of reserves in relation to debt.
- The five year trend reflects a good balance between the use of reserves and debt.

Financial Position

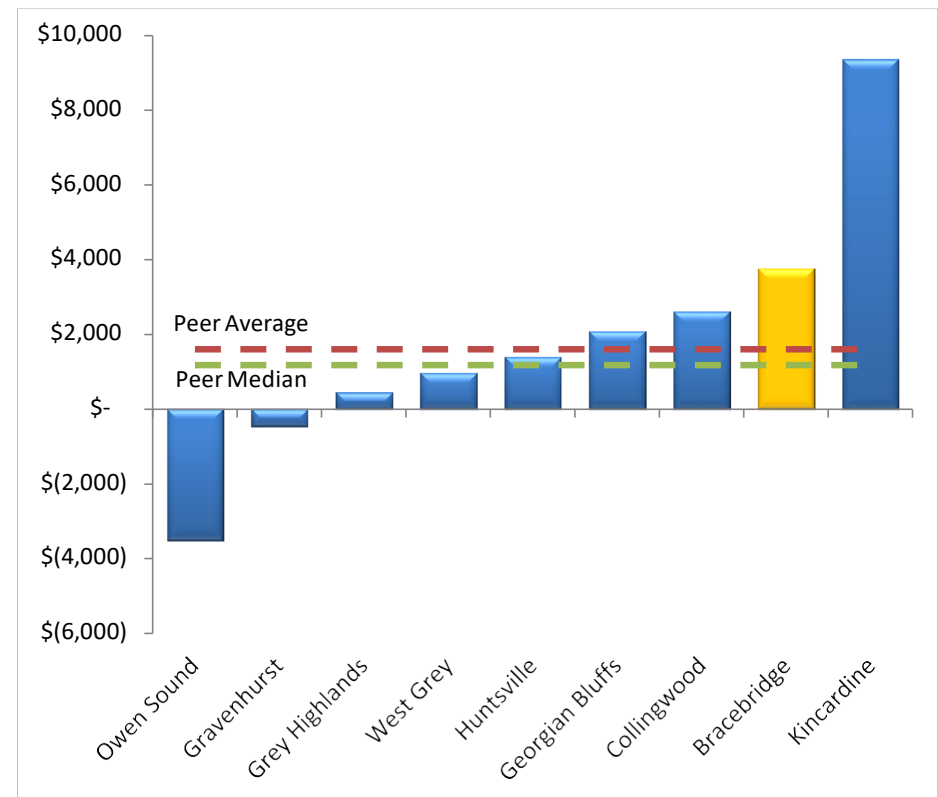
- Net financial position is a key indicator of a municipality’s financial health. A municipality’s net financial position is defined as the total fund balances including equity in business government enterprises less the amount to be recovered in future years associated with long-term liabilities. A comparison was made of the Town’s overall financial position (financial assets less liabilities) from 2014 to 2018.
- The Town of Bracebridge’s financial position per household has trended up from 2014 to 2018 from \$2.7 million to \$3.7 million.

Figure 32— Total Financial Assets less Total Liabilities Per Household



- To provide a comparison with other municipality’s financial position, a per household analysis was undertaken. As shown in figure 33, the Town of Bracebridge’s financial position per household is the second highest among the peer comparators.

Figure 33— Financial Position Per Household

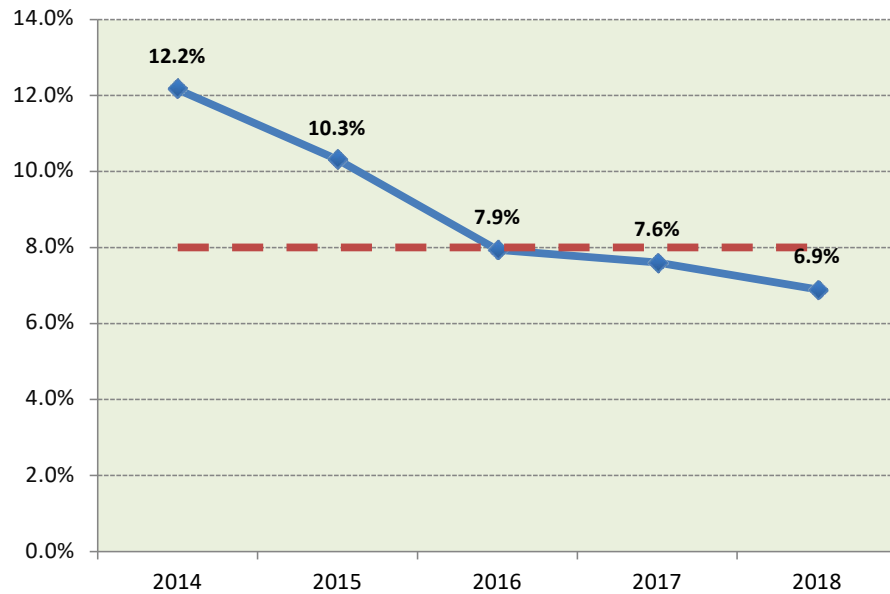


Source: FIRs

Taxes Receivable

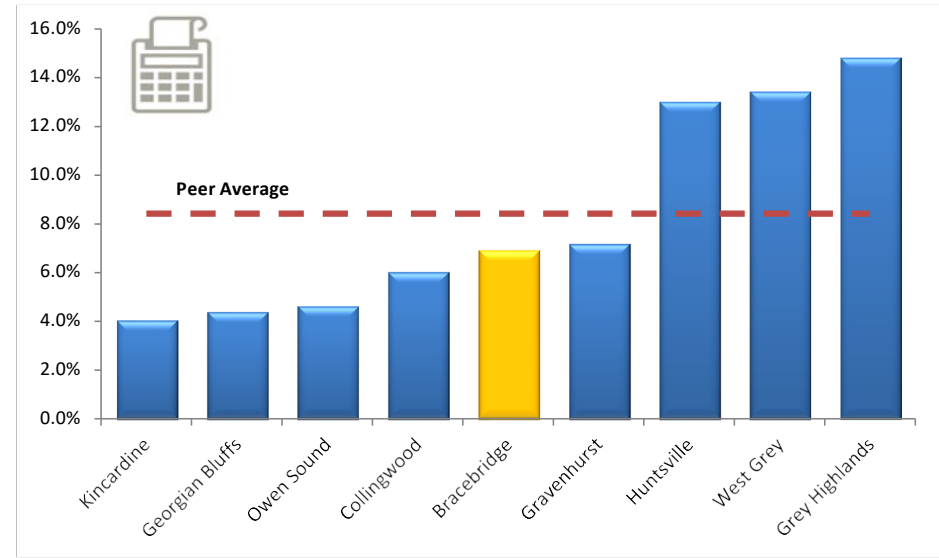
Taxes receivable as a % of taxes levied is a good indicator of a local economy. If the percentage increases over time, it may indicate an overall decline in the municipality’s economic health. If uncollected property taxes rise to more than 8%, credit rating firms consider this a negative factor because it may signal potential instability in the property tax base. The Town of Bracebridge taxes receivable as a percentage of taxes levied has been trending down and is *below the target*.

Figure 34 – Taxes Receivable as a % of Taxes Levied

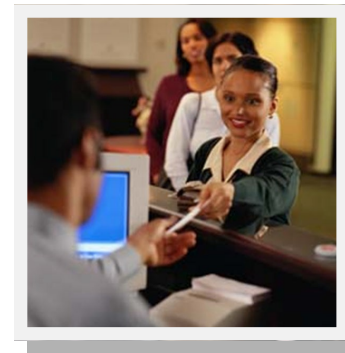


Source: FIRs

Figure 35 – 2018 Taxes Receivable as a % of Taxes Levied



- Bracebridge’ taxes receivable as a % of Taxes levied are below the survey average.



Summary—Financial Position

| | <i>Indicator</i> | <i>Trend</i> | <i>2020 Rating</i> |
|---|--|--------------|--------------------|
|  | <i>Discretionary Reserves as a % of Taxation</i> | ✓ | ✓ |
|  | <i>Stabilization Reserve Funds</i> | ✓ | ✓ |
|  | <i>Capital Reserve Funds</i> | ✓ | ⊖ |
|  | <i>Special Purpose Reserves</i> | ✓ | ⊖ |
|  | <i>Debt Service Ratio</i> | ⚠ | ✓ |
|  | <i>Debt to Reserve Ratio</i> | ✓ | ✓ |
|  | <i>Financial Position</i> | ✓ | ✓ |
|  | <i>Taxes Receivable</i> | ✓ | ✓ |

Summary

A number of positive indicators support the Town's ongoing ability to pay for services, including:

- Planned modest growth.
- Positive trend in assessment growth which is expected to continue over the foreseeable future.
- Stabilization Reserves are well above target range.
- Taxes receivable trending down and within target range.
- Relatively high discretionary reserves in relation to taxation which have been increasing through planned contributions to the capital program.
- While debt has been increasing, it is still well below the Town's target.
- The Town's levy in relation to households and assessment is below the peer average.
- Property tax affordability is at the peer municipal average.

There are a number of challenges, however, that the Town must plan for in the future:

- Bracebridge, like other Canadian municipalities, is facing a gap in infrastructure. This situation may result in deterioration in the quality of its infrastructure which, in turn, will increase maintenance costs and could affect some service levels. A commitment to maintain infrastructure is a key strategic goal in the Town of Bracebridge's Strategic Plan. The Town has prepared an asset management plan with funding strategies to gradually address an infrastructure gap over a period of 20 years.
- Aging population increased the demand for some services.

To be able to pay for services currently provided, the Town must ensure that:

- There is recognition that some of the Town's costs are increasing at a rate faster than inflation.
- It continues to stay on its path toward financial sustainability and resiliency through well planned and executed strategies.
- There is an alignment between the programs and services provided with shifts in demographics and the community's willingness to pay for services.

Appendix A

Bracebridge Operating Expenditure Trend Analysis

Figure below provides a summary of the **operating expenditures (excluding capital)** by major item of expenditure and the total dollar increase from 2015-2020.

2015-2020 Operating Expenditure Trend

| Corporate Wide Operating Expense | Budget | | | | | | % of Total 2020 | Total \$ Change 2015-2020 | Annual % Increase 2015-2020 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|------------------------------|-----------------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Contracted Services | \$ 1,778,260 | \$ 2,141,845 | \$ 2,268,285 | \$ 2,247,260 | \$ 2,240,170 | \$ 2,546,430 | 12.7% | \$ 768,170 | 7.4% |
| Debt Charges | \$ 640,200 | \$ 640,130 | \$ 640,130 | \$ 1,072,940 | \$ 1,072,720 | \$ 1,073,060 | 5.4% | \$ 432,860 | 10.9% |
| Hired Equipment | \$ 231,000 | \$ 252,400 | \$ 311,930 | \$ 393,100 | \$ 370,800 | \$ 370,400 | 1.9% | \$ 139,400 | 9.9% |
| I.T Support | \$ 427,600 | \$ 463,490 | \$ 479,680 | \$ 493,510 | \$ 515,310 | \$ 532,980 | 2.7% | \$ 105,380 | 4.5% |
| Insurance | \$ 299,980 | \$ 326,180 | \$ 335,310 | \$ 392,480 | \$ 438,790 | \$ 378,000 | 1.9% | \$ 78,020 | 4.7% |
| Materials & Supplies | \$ 1,095,280 | \$ 1,108,575 | \$ 1,198,865 | \$ 1,186,775 | \$ 1,153,360 | \$ 1,100,700 | 5.5% | \$ 5,420 | 0.1% |
| Salaries, Wages & Benefits | \$ 7,572,355 | \$ 7,696,255 | \$ 8,033,355 | \$ 8,290,180 | \$ 8,980,230 | \$ 9,283,250 | 46.5% | \$ 1,710,895 | 4.2% |
| Town Equipment | \$ 579,900 | \$ 614,800 | \$ 638,500 | \$ 633,450 | \$ 627,790 | \$ 685,800 | 3.4% | \$ 105,900 | 3.4% |
| Transfer To/From Reserve | \$ 260,500 | \$ 171,900 | \$ 126,200 | \$ 255,800 | \$ 446,010 | \$ 514,400 | 2.6% | \$ 253,900 | 14.6% |
| Utilities | \$ 938,800 | \$ 892,900 | \$ 901,600 | \$ 916,900 | \$ 880,020 | \$ 849,320 | 4.2% | \$ (89,480) | -2.0% |
| Misc Expenses | \$ 1,988,340 | \$ 2,373,130 | \$ 2,446,545 | \$ 2,594,235 | \$ 2,512,400 | \$ 2,650,410 | 13.3% | \$ 662,070 | 5.9% |
| Total Expenses | \$15,812,215 | \$16,681,605 | \$17,380,400 | \$18,476,630 | \$19,237,600 | \$19,984,750 | 100.0% | \$ 4,172,535 | 4.8% |

- **Salaries, Wages and Benefits** represents the largest item of expenditure and has experienced an average annual increase of 4.2%. This includes contract increases, new staffing positions and changes in benefit costs.
- A number of expenditures have increased at levels above inflationary levels such as contracted services and contributions to the operating reserves.
- **Debt Charges** increased in 2018 as a result of a new debt issuance for the new fire station and acquisition of land.
- **Materials & Supplies** have experienced limited increases in costs from 2015-2020.
- In accordance with leading practice, tendering insurance in 2019 resulted in a reduction in costs in 2020.

Operating Expenses Trend

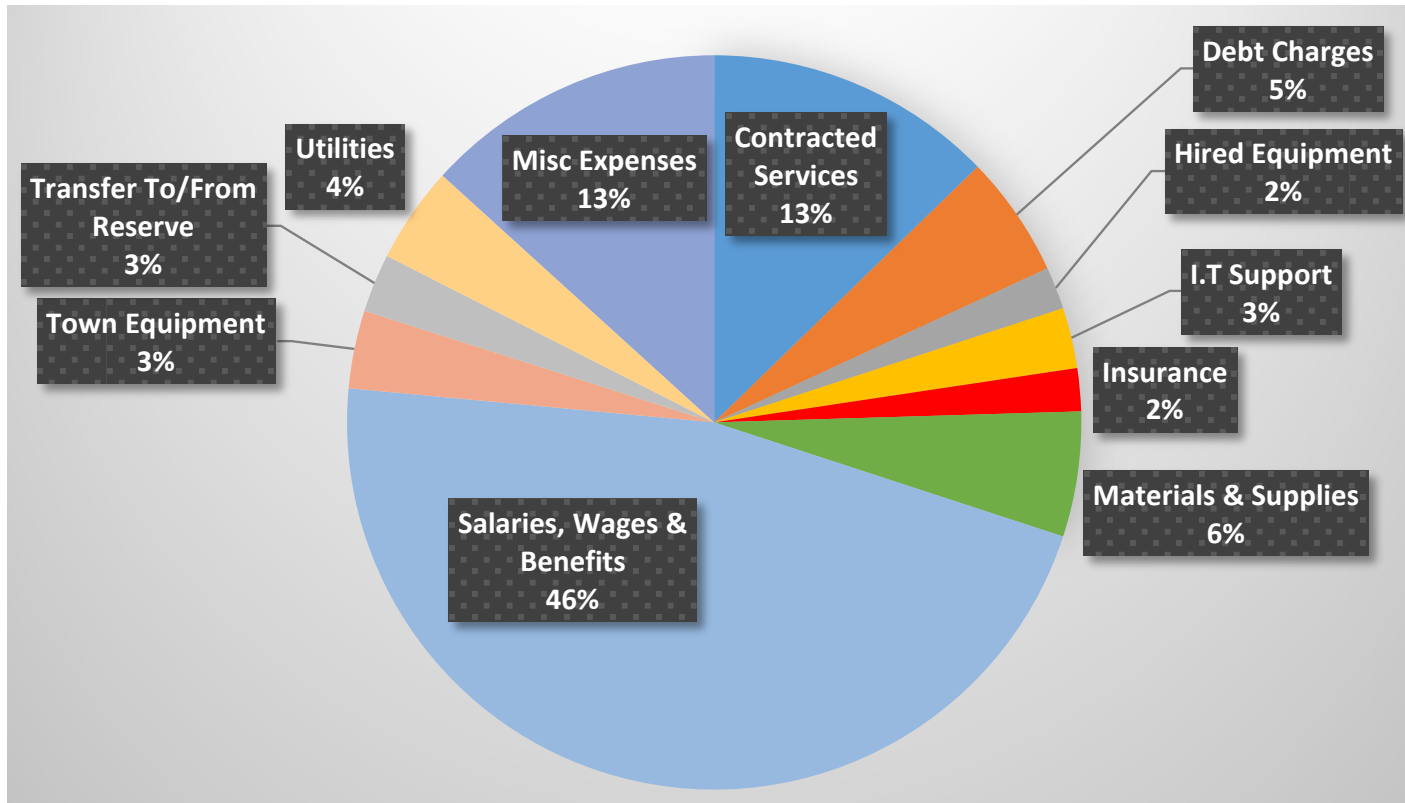
The following table provides a summary of percentage of the total for each of the major objects of expenditure.

2015-2020 Operating % Change Year Over Year—Expenditure Trend

| Operating % of Total Expense | Budget | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Contracted Services | 11.2% | 12.8% | 13.1% | 12.2% | 11.6% | 12.7% |
| Debt Charges | 4.0% | 3.8% | 3.7% | 5.8% | 5.6% | 5.4% |
| Hired Equipment | 1.5% | 1.5% | 1.8% | 2.1% | 1.9% | 1.9% |
| I.T Support | 2.7% | 2.8% | 2.8% | 2.7% | 2.7% | 2.7% |
| Insurance | 1.9% | 2.0% | 1.9% | 2.1% | 2.3% | 1.9% |
| Materials & Supplies | 6.9% | 6.6% | 6.9% | 6.4% | 6.0% | 5.5% |
| Salaries, Wages & Benefits | 47.9% | 46.1% | 46.2% | 44.9% | 46.7% | 46.5% |
| Town Equipment | 3.7% | 3.7% | 3.7% | 3.4% | 3.3% | 3.4% |
| Transfer To/From Reserve | 1.6% | 1.0% | 0.7% | 1.4% | 2.3% | 2.6% |
| Utilities | 5.9% | 5.4% | 5.2% | 5.0% | 4.6% | 4.2% |
| Misc Expenses | 12.6% | 14.2% | 14.1% | 14.0% | 13.1% | 13.3% |
| Total Expenses | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

- **Salaries, Wages and Expenditures** are the largest expenditures over the last 5 years but the percentage of the total has decreased from 2015 from 47.9% to 46.5%.
- **Contracted Services** have increased proportionally from 2015-2020. In 2020, contracted services represents 12.7% of operating expenses, a proportional increase from 2015
- **Utilities** have decreased proportionally since 2015. Some of the decreases are related to efficiency measures that have been implemented.
- **IT Support** is contracted through the District and represents approximately 2.7% of the total operating expenditures

2020 Total Operating Expenses By Item of Expenditure



The above provides a graphic presentation of the operating expenditures in 2020. Further analysis has been provided at the departmental level with some general observations. More detailed analysis will be provided in the departmental sections of the report.

2020 Operating Expenses By Department

| 2020 Budget by Department | | | | | | | | | |
|------------------------------|---------------------|---------------------|-------------------------|------------------|----------------------------------|--------------------------|-------------------|---------------------------|----------------------|
| Operating Expense | General Government | Protection Services | Transportation Services | Health Services | Recreation and Cultural Services | Planning and Development | Non-Program | Business Improvement Area | Total |
| Contracted Services | \$ 298,680 | \$ 24,700 | \$ 1,634,050 | \$ 4,700 | \$ 445,800 | \$ 130,500 | \$ - | \$ 8,000 | \$ 2,546,430 |
| Debt Charges | \$ - | \$ 233,120 | \$ - | \$ - | \$ 640,120 | \$ - | \$ 199,820 | \$ - | \$ 1,073,060 |
| Hired Equipment | \$ - | \$ - | \$ 334,200 | \$ - | \$ 36,200 | \$ - | \$ - | \$ - | \$ 370,400 |
| I.T Support | \$ 107,560 | \$ 35,080 | \$ 55,110 | \$ 3,250 | \$ 223,800 | \$ 107,230 | \$ - | \$ 950 | \$ 532,980 |
| Insurance | \$ 235,820 | \$ 22,030 | \$ 35,710 | \$ 100 | \$ 54,570 | \$ 26,300 | \$ 3,470 | \$ - | \$ 378,000 |
| Materials & Supplies | \$ 114,370 | \$ 45,600 | \$ 552,250 | \$ 13,260 | \$ 335,440 | \$ 36,880 | \$ - | \$ 2,900 | \$ 1,100,700 |
| Salaries, Wages & Benefits | \$ 1,783,750 | \$ 920,080 | \$ 1,546,050 | \$ - | \$ 3,400,670 | \$ 1,573,430 | \$ - | \$ 59,270 | \$ 9,283,250 |
| Town Equipment | \$ - | \$ - | \$ 648,000 | \$ - | \$ 37,800 | \$ - | \$ - | \$ - | \$ 685,800 |
| Transfer To/From Reserve | \$ 484,800 | \$ 16,000 | \$ - | \$ - | \$ - | \$ 13,600 | \$ - | \$ - | \$ 514,400 |
| Utilities | \$ 97,900 | \$ 12,540 | \$ 168,300 | \$ 1,200 | \$ 569,380 | \$ - | \$ - | \$ - | \$ 849,320 |
| Misc Expenses | \$ 385,150 | \$ 324,400 | \$ 241,180 | \$ 58,030 | \$ 526,800 | \$ 750,130 | \$ 181,000 | \$ 183,720 | \$ 2,650,410 |
| Total Expenses | \$ 3,508,030 | \$ 1,633,550 | \$ 5,214,850 | \$ 80,540 | \$ 6,270,580 | \$ 2,638,070 | \$ 384,290 | \$ 254,840 | \$ 19,984,750 |
| Operating Expense % of Total | General Government | Protection Services | Transportation Services | Health Services | and Cultural Services | Planning and Development | Non-Program | Improvement Area | Total |
| Contracted Services | 8.5% | 1.5% | 31.3% | 5.8% | 7.1% | 4.9% | 0.0% | 3.1% | 12.7% |
| Debt Charges | 0.0% | 14.3% | 0.0% | 0.0% | 10.2% | 0.0% | 52.0% | 0.0% | 5.4% |
| Hired Equipment | 0.0% | 0.0% | 6.4% | 0.0% | 0.6% | 0.0% | 0.0% | 0.0% | 1.9% |
| I.T Support | 3.1% | 2.1% | 1.1% | 4.0% | 3.6% | 4.1% | 0.0% | 0.4% | 2.7% |
| Insurance | 6.7% | 1.3% | 0.7% | 0.1% | 0.9% | 1.0% | 0.9% | 0.0% | 1.9% |
| Materials & Supplies | 3.3% | 2.8% | 10.6% | 16.5% | 5.3% | 1.4% | 0.0% | 1.1% | 5.5% |
| Salaries, Wages & Benefits | 50.8% | 56.3% | 29.6% | 0.0% | 54.2% | 59.6% | 0.0% | 23.3% | 46.5% |
| Town Equipment | 0.0% | 0.0% | 12.4% | 0.0% | 0.6% | 0.0% | 0.0% | 0.0% | 3.4% |
| Transfer To/From Reserve | 13.8% | 1.0% | 0.0% | 0.0% | 0.0% | 0.5% | 0.0% | 0.0% | 2.6% |
| Utilities | 2.8% | 0.8% | 3.2% | 1.5% | 9.1% | 0.0% | 0.0% | 0.0% | 4.2% |
| Misc Expenses | 11.0% | 19.9% | 4.6% | 72.1% | 8.4% | 28.4% | 47.1% | 72.1% | 13.3% |
| Total Expenses | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

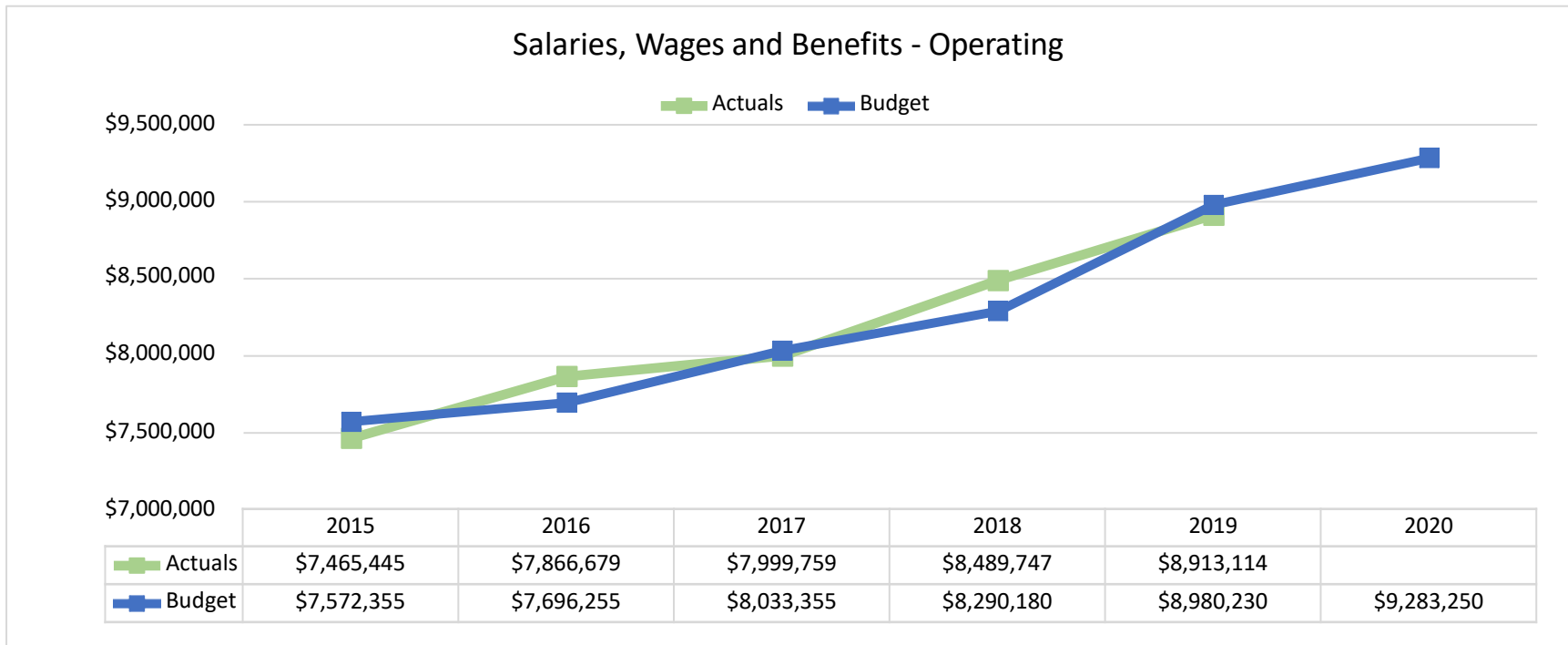
Salaries, Wages and Benefits Budget Trend Analysis

| Salaries, Wages, Benefits | Budget | | | | | | Total \$ Change 2015-2020 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| Business Improvement Area | \$ 47,000 | \$ 51,000 | \$ 50,600 | \$ 56,180 | \$ 59,360 | \$ 59,270 | \$ 12,270 |
| General Government | \$ 1,448,300 | \$ 1,468,400 | \$ 1,613,730 | \$ 1,609,500 | \$ 1,751,460 | \$ 1,783,750 | \$ 335,450 |
| Planning and Development | \$ 1,273,100 | \$ 1,324,900 | \$ 1,350,780 | \$ 1,371,530 | \$ 1,393,800 | \$ 1,573,430 | \$ 300,330 |
| Protection Services | \$ 804,700 | \$ 811,700 | \$ 854,980 | \$ 874,670 | \$ 902,030 | \$ 920,080 | \$ 115,380 |
| Recreation and Cultural Services | \$ 2,671,385 | \$ 2,727,335 | \$ 2,828,265 | \$ 3,028,670 | \$ 3,316,760 | \$ 3,400,670 | \$ 729,285 |
| Transportation Services | \$ 1,327,870 | \$ 1,312,920 | \$ 1,335,000 | \$ 1,349,630 | \$ 1,556,820 | \$ 1,546,050 | \$ 218,180 |
| Total Salaries, Wages Benefits | \$ 7,572,355 | \$ 7,696,255 | \$ 8,033,355 | \$ 8,290,180 | \$ 8,980,230 | \$ 9,283,250 | \$ 1,710,895 |

| Salaries, Wages, Benefits % Change | Budget | | | | |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
| Business Improvement Area | 8.5% | -0.8% | 11.0% | 5.7% | -0.2% |
| General Government | 1.4% | 9.9% | -0.3% | 8.8% | 1.8% |
| Planning and Development | 4.1% | 2.0% | 1.5% | 1.6% | 12.9% |
| Protection Services | 0.9% | 5.3% | 2.3% | 3.1% | 2.0% |
| Recreation and Cultural Services | 2.1% | 3.7% | 7.1% | 9.5% | 2.5% |
| Transportation Services | -1.1% | 1.7% | 1.1% | 15.4% | -0.7% |
| Total Salaries, Wages Benefits | 1.6% | 4.4% | 3.2% | 8.3% | 3.4% |

- Staffing costs are the largest item in the budget, representing 46% of the operating expenses in 2020.
- Recreation and Cultural Services represents 38% of the total; General Government 19%, Planning and Development 17%, Transportation 17% and Protection 10% in 2020.

Salaries, Wages and Benefits Budget to Actual Trend Analysis

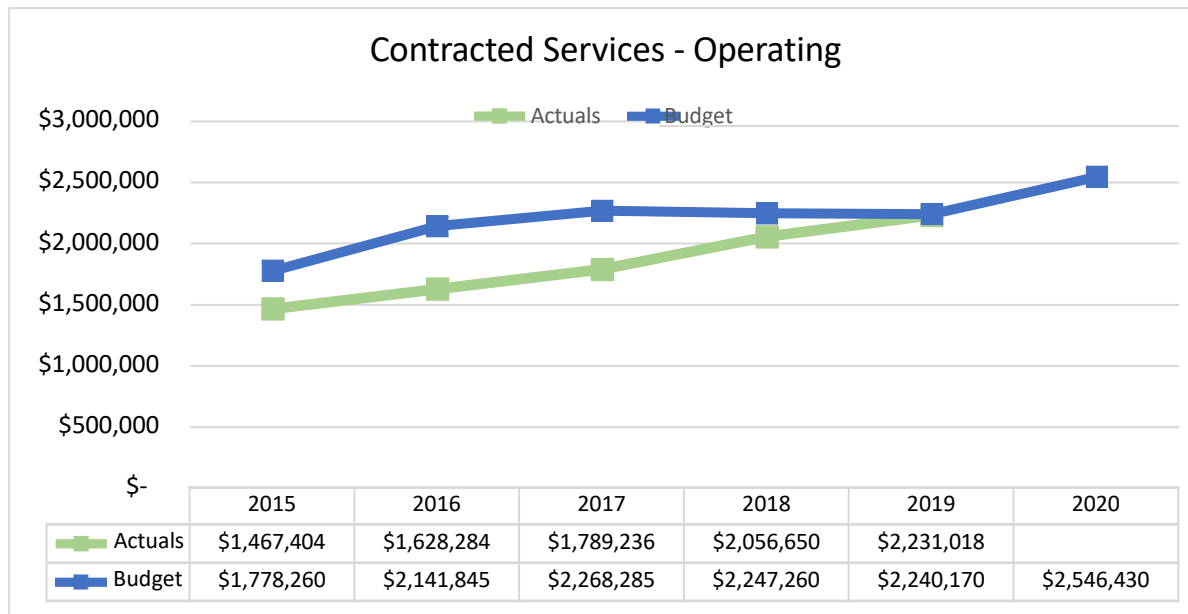


- Salaries, benefits and wages corporately has been between a 1% under budget to 2% over budget annually from 2015-2019.
- Years where the budget has been exceeded has been primarily driven by unexpected events (flooding) and weather conditions which are difficult to predict.

Contracted Services Budget Trend Analysis

| Contracted Services | Budget | | | | | | Total \$ Change 2015-2020 |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| BIA | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ - |
| General Government | \$ 74,500 | \$ 138,500 | \$ 114,080 | \$ 135,990 | \$ 135,220 | \$ 298,680 | \$ 224,180 |
| Health | \$ 4,300 | \$ 5,100 | \$ 4,620 | \$ 4,280 | \$ 5,560 | \$ 4,700 | \$ 400 |
| Planning and Development | \$ 205,200 | \$ 179,000 | \$ 185,460 | \$ 162,160 | \$ 146,780 | \$ 130,500 | \$ (74,700) |
| Protection Services | \$ 24,200 | \$ 24,200 | \$ 24,000 | \$ 24,000 | \$ 24,700 | \$ 24,700 | \$ 500 |
| Recreation and Cultural Services | \$ 338,910 | \$ 377,695 | \$ 368,975 | \$ 420,030 | \$ 423,510 | \$ 445,800 | \$ 106,890 |
| Transportation Services | \$ 1,123,150 | \$ 1,409,350 | \$ 1,563,150 | \$ 1,492,800 | \$ 1,496,400 | \$ 1,634,050 | \$ 510,900 |
| Total Contracted | \$ 1,778,260 | \$ 2,141,845 | \$ 2,268,285 | \$ 2,247,260 | \$ 2,240,170 | \$ 2,546,430 | \$ 768,170 |

Contracted Services Budget to Actual Trend Analysis



In 2020

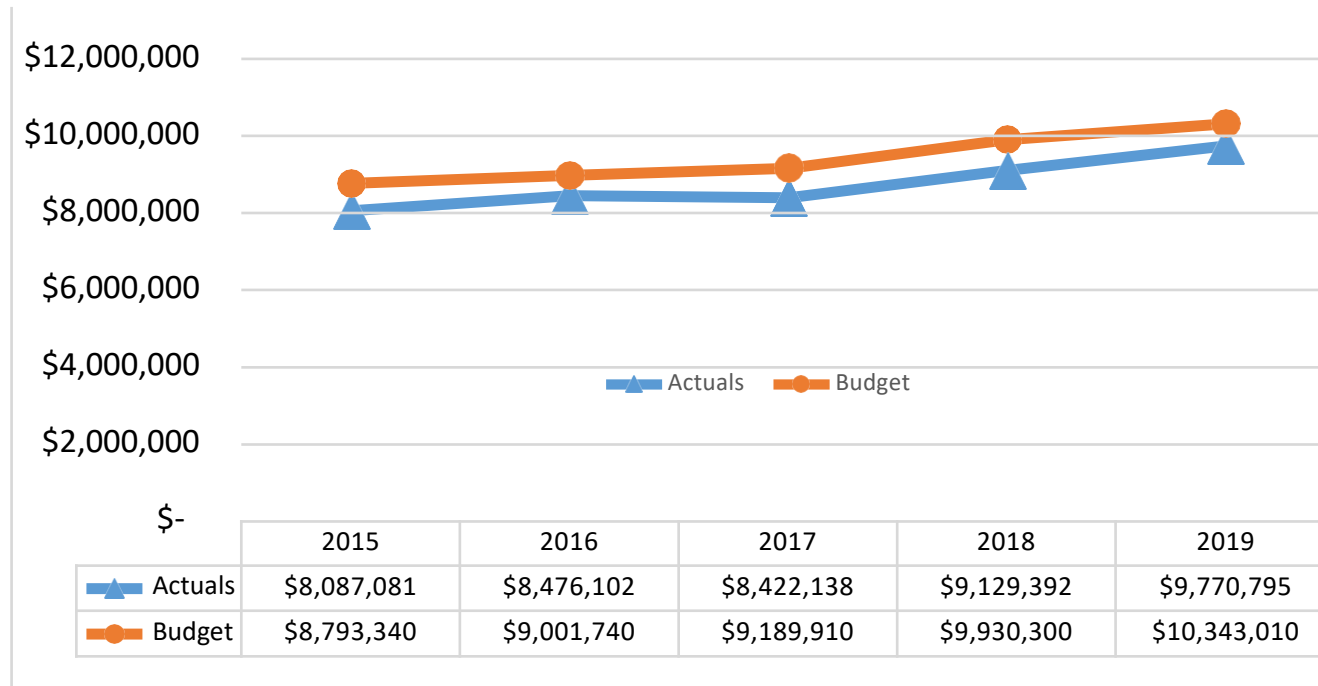
- 64% of the Contracted Services are in Transportation for a wide range of services including transit, fleet, winter control, parking lot maintenance. The primary increases are related to transit services.
- 18% are related to Recreation and Culture.
- As shown in the graph, from 2015-2019, the actual cost of services were below the budget.
- Additional line-by-line analysis will be undertaken at the departmental level.

Bracebridge Budget Operating Revenue Trend Analysis

| Operating | Budget | | | | | | % of Total 2020 | Total \$ Change 2015-2020 | Annual % 2015-2020 |
|----------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|--------------------|---------------------------------|-----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Revenue | | | | | | | | | |
| Building Revenues | \$ (294,500) | \$ (414,500) | \$ (442,000) | \$ (552,500) | \$ (663,000) | \$ (724,210) | 3.1% | \$ (429,710) | 19.7% |
| Grants | \$ (1,729,980) | \$ (1,934,940) | \$ (2,114,990) | \$ (2,180,550) | \$ (1,902,200) | \$ (375,580) | 1.6% | \$ 1,354,400 | -26.3% |
| Land Disposition Revenue | \$ (118,800) | \$ (94,500) | \$ (113,760) | \$ (246,100) | \$ (360,800) | \$ (457,000) | 1.9% | \$ (338,200) | 30.9% |
| Lease Revenue | \$ (93,670) | \$ (143,300) | \$ (207,620) | \$ (271,030) | \$ (275,590) | \$ (267,090) | 1.1% | \$ (173,420) | 23.3% |
| Misc Interest | \$ (100,000) | \$ (100,000) | \$ (100,000) | \$ (110,000) | \$ (338,000) | \$ (400,000) | 1.7% | \$ (300,000) | 32.0% |
| Penalty Interest | \$ (550,000) | \$ (540,000) | \$ (440,000) | \$ (430,000) | \$ (420,000) | \$ (430,000) | 1.8% | \$ 120,000 | -4.8% |
| Program Revenues | \$ (1,083,300) | \$ (1,101,600) | \$ (1,129,300) | \$ (1,198,700) | \$ (1,260,300) | \$ (1,280,300) | 5.4% | \$ (197,000) | 3.4% |
| Transfer To/From Reserve | \$ (191,120) | \$ (369,025) | \$ (566,870) | \$ (362,250) | \$ (182,610) | \$ (493,790) | 2.1% | \$ (302,670) | 20.9% |
| BIA Levy | \$ (172,100) | \$ (172,100) | \$ (172,100) | \$ (172,100) | \$ (177,790) | \$ (181,400) | 0.8% | \$ (9,300) | 1.1% |
| Tax Levy and PIL, Streetlighting | \$ (12,299,940) | \$ (13,138,216) | \$ (13,917,340) | \$ (14,797,800) | \$ (15,640,990) | \$ (16,280,910) | 69.2% | \$ (3,980,970) | 5.8% |
| Dividends from Govmt Businesses | \$ (651,100) | \$ (844,700) | \$ (985,580) | \$ (1,041,850) | \$ (1,153,700) | \$ (1,099,400) | 4.7% | \$ (448,300) | 11.0% |
| Misc Revenue | \$ (1,457,005) | \$ (1,425,800) | \$ (1,379,670) | \$ (1,413,400) | \$ (1,506,140) | \$ (1,549,570) | 6.6% | \$ (92,565) | 1.2% |
| Total Revenues | \$ (18,741,515) | \$ (20,278,681) | \$ (21,569,230) | \$ (22,776,280) | \$ (23,881,120) | \$ (23,539,250) | 100.0% | \$ (4,797,735) | 4.7% |

- Operating revenues excluding taxes have increased, annually on average by 4.7%.
- The vast majority of revenues are related to property taxes and PILs.
- Building Revenues are segregated and used only toward the building expenditures. There has been considerable increases in these revenues, reflecting increases in construction activity in the Town.
- Grants reflect all grants received across the Corporation including OMPF , Ontario Conditional grants and other grants. The reduction in Grants in 2020 is related to the reallocation of the OMPF grant to the capital program.
- The Town receive dividends from the Town’s investment in Lakeland Holding Ltd. 75% of dividend proceeds are allocated equally among the General Government, Public Works and Recreation Capital Reserves (reflected in the operating expenses). Increases have been experienced since 2015. This is a best practice to transfer dividend proceeds to capital reserves to address the infrastructure gap.

Summary of the Operating Net Levy



- The Town has two portions to the levy; Operating and Capital.
- Figure above reflects the budgeted and actual net levy from 2015-2019. From 2015-2019, the Town experienced a net operating surplus in each year whereby the actual net levy was less than the budget in every year.
- Operating surpluses are transferred to reserves to be used in future years. This has helped to increase the reserve position. Year-end surpluses go to tax rate stabilization reserve.

Capital Budget Expenses

| Capital Expense | Budget | | | | | |
|--------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Building Expenses | \$ 655,000 | \$ 634,100 | \$ 732,800 | \$ 5,916,000 | \$ 2,212,300 | \$ 7,219,500 |
| Capital Construction | \$ 70,000 | \$ 106,000 | \$ - | \$ 70,000 | \$ - | \$ 220,000 |
| Capital Works Expenses | \$ 4,062,000 | \$ 4,719,000 | \$ 3,172,900 | \$ 4,639,300 | \$ 8,313,900 | \$ 10,205,000 |
| Land expenses | \$ 625,100 | \$ 281,000 | \$ 3,227,000 | \$ - | \$ 60,000 | \$ 60,000 |
| Land Improvements | \$ 155,000 | \$ 233,500 | \$ 209,000 | \$ 288,900 | \$ 161,400 | \$ 478,900 |
| Materials & Supplies | \$ 490,800 | \$ 689,900 | \$ 1,034,300 | \$ 1,479,630 | \$ 1,405,500 | \$ 1,486,500 |
| New Facility Planning | \$ 50,000 | \$ 100,000 | \$ - | \$ - | \$ - | \$ - |
| Program Expenses | \$ 4,600 | \$ 450 | \$ - | \$ - | \$ - | \$ - |
| Properties | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 10,000 |
| Repair & Maintenance | \$ 36,500 | \$ 85,000 | \$ 105,000 | \$ 345,000 | \$ 283,000 | \$ 511,000 |
| Revitalization Expense | \$ - | \$ - | \$ - | \$ - | \$ 50,000 | \$ - |
| Soccer Capital Expense | \$ 205,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Stn #1 Bldg | \$ 250,000 | \$ 3,700,000 | \$ 3,350,000 | \$ 394,700 | \$ 65,000 | \$ - |
| Tennis Capital Expense | \$ - | \$ 90,000 | \$ 80,000 | \$ 90,000 | \$ 7,000 | \$ 160,000 |
| Transfer To/From Reserve | \$ 960,300 | \$ 1,323,726 | \$ 2,107,380 | \$ 1,516,090 | \$ 1,868,270 | \$ 2,341,050 |
| Vehicles | \$ 361,000 | \$ - | \$ 35,000 | \$ 525,000 | \$ 610,000 | \$ 65,000 |
| Total Expenses | \$ 7,925,300 | \$ 11,962,676 | \$ 14,053,380 | \$ 15,264,620 | \$ 15,036,370 | \$ 22,756,950 |

- The Capital Budget expenses have increased significantly from 2015-2020, due in part to replacement of existing infrastructure and new growth and expansions.
- A major expenditure from 2016-2017 is related to the construction of a new Fire Station.
- The transfer to Reserves has been increasing to address the Town’s infrastructure gap which will be discussed later in the report in accordance with the Town’s Asset Management Plan which was completed in 2017.

Capital Budget Revenues

| Capital Revenue | Budget | | | | | |
|--------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| DC Revenue | \$ (30,000) | \$ (40,000) | \$ - | \$ - | \$ (107,800) | \$ (1,975,400) |
| Debenture Proceeds | \$ - | \$ (3,500,000) | \$ (6,500,000) | \$ (5,000,000) | \$ (5,000,000) | \$ - |
| Developer Contributions | \$ - | \$ - | \$ - | \$ - | \$ (43,500) | \$ - |
| Donations | \$ - | \$ (7,500) | \$ (9,000) | \$ (9,000) | \$ (13,000) | \$ (14,000) |
| Grants | \$ (1,784,000) | \$ (1,409,600) | \$ (800,950) | \$ (1,144,840) | \$ (1,149,390) | \$ (8,042,030) |
| Misc Revenue | \$ - | \$ (1,500) | \$ (25,000) | \$ (460,000) | \$ (145,000) | \$ (110,000) |
| Parkland Revenue | \$ (17,000) | \$ (50,000) | \$ - | \$ - | \$ - | \$ - |
| Revitalization Revenue | \$ - | \$ - | \$ - | \$ - | \$ (50,000) | \$ - |
| Capital Levy | \$ (2,929,300) | \$ (3,597,076) | \$ (4,188,830) | \$ (4,299,650) | \$ (4,643,520) | \$ (3,554,500) |
| Transfer To/From Reserve | \$ (3,165,000) | \$ (3,357,000) | \$ (2,529,600) | \$ (4,351,130) | \$ (3,884,160) | \$ (9,061,020) |
| Total Revenues | \$ (7,925,300) | \$ (11,962,676) | \$ (14,053,380) | \$ (15,264,620) | \$ (15,036,370) | \$ (22,756,950) |

- There are numerous sources of revenue that are available to fund capital some of which are related to asset replacement, program expansion and growth.
- **DC Revenues** are used to fund growth related capital as well as **Developer Contributions**.
- **Grants** include federal and provincial conditional grants, gas tax, OMPF (2020 only).
- The Town proactively contributes to Capital Reserves annually which are used to, as shown above to fund capital programs. Annual contributions are required as capital requirements vary annually. This helps to smooth the impact on the capital levy.
- As shown above, the **Capital Levy** which is included in the Town’s tax rates has been increasing. In 2020, this is lower than 2019, however, contained in the Grants in 2020 is the OMPF grant which is an additional \$1.6 million. The plan going forward is to continue to allocate the OMPF grant to fund capital.