



West Nipissing Ouest

Budget Handbook

Joie de vivre

westnipissingouest.ca

The **Municipal Budget** outlines how the Municipality allocates its resources to meet the needs of the community while maintaining fiscal responsibility and accountability.

The **Term Plan** serves as a strategic tool to effectively prioritize resources and plan for the future. It helps ensure that Council and the Municipality make decisions that are aligned with the community's vision and goals.

Council's Principles



Build trust and foster positive engagement together



Use a strategic approach to put goals into action



Serve the community by listening and being transparent



Achieve goals by remaining realistic, honest, and respectful



Take chances and seize opportunities



Embrace change



Term Plan Pillars



**Community Development for
a Vibrant Present and Future**

**Community-centric Facilities
and Public Spaces**



**Strategic Management
and Policies**

**Functional and Dependable
Infrastructure**



**Efficient and Effective
Service Delivery**



Building a Municipal Budget

Operating Budget

Purpose

The operating budget covers the day-to-day expenses required to run the municipality. This includes costs associated with providing services to residents.

Expenditures

It typically includes salaries and wages, utilities, maintenance of facilities, supplies, and other recurring expenses necessary for ongoing operations.

Timeframe

Operating budgets are usually prepared on an annual basis and are reviewed and adjusted regularly.

Funding Sources

Revenue for the operating budget primarily comes from taxes (property, sales), fees for services, and other operational income if any.

Capital Budget

Purpose

The capital budget focuses on long-term investments in infrastructure and major projects that will provide benefits over several years.

Expenditures

It includes funding for the construction, repair, or renovation of buildings, roads, parks, and other public infrastructure, as well as the purchase of large equipment.

Timeframe

Capital budgets can cover multiple years, as projects can take a long time to plan, approve, and complete.

Funding Sources

Revenue for capital budgets often comes from specific sources like government funding/grants, and dedicated capital funds, separate from the general operating revenues.





The Process

Throughout the year, Council keeps track of the community's needs and concerns. They raise issues at the Council table to find solutions and to decide what should get funded through the municipal budget. Staff and management keep track of their expenses and ensure they align with the approved budget. In the Fall, the municipal departments work together to show Council what will be required in the upcoming year to uphold the level of service and to meet Council's vision.

August - September

1

Departmental Budget Planning

Staff and managers amass and review their yearly expenses and plan for what is needed for the following year based on Council priorities and cost fluctuations.

November - December

5

Council Receives Budget Draft

The senior management team shares the proposed budget with Council. Major changes and key decision points are highlighted for further discussion.

September

2

Departmental Budget Submission to the Finance Department for Review

Manager and Directors discuss staff budget submissions to ensure that plans are efficient and that the work planned is reflective of community needs and of Council's plan.

December - January

6

Budget Deliberations

Municipal Council and Administration discuss revenue projections, expenditures, fiscal challenges, and potential solutions. They make decisions and revisions to controllable budget items to meet the community's needs.

October

3

In-depth financial analysis

The Treasurer integrates new and existing financial data. In this phase, the current fiscal year's financial performance is analyzed and patterns for the upcoming year are identified. Past budgets are reviewed, revenue projections are made (taxes, grants, fees, and other sources), expenditure trends are documented, and cash flow is assessed (short-term financial position).

December - January

7

Budget Approval

Once the budget is approved, directors and managers can begin to put the plans into action and serve the community to the best of their ability with the funds allocated. The Treasurer ensures accuracy and compliance with financial regulations.

October

4

Preparation of Budget Draft

Once all necessary financial data and departmental input are gathered, the Treasurer and CAO balance the budget. They identify major changes and make recommendations in the proposed budget document for Council.

Ongoing

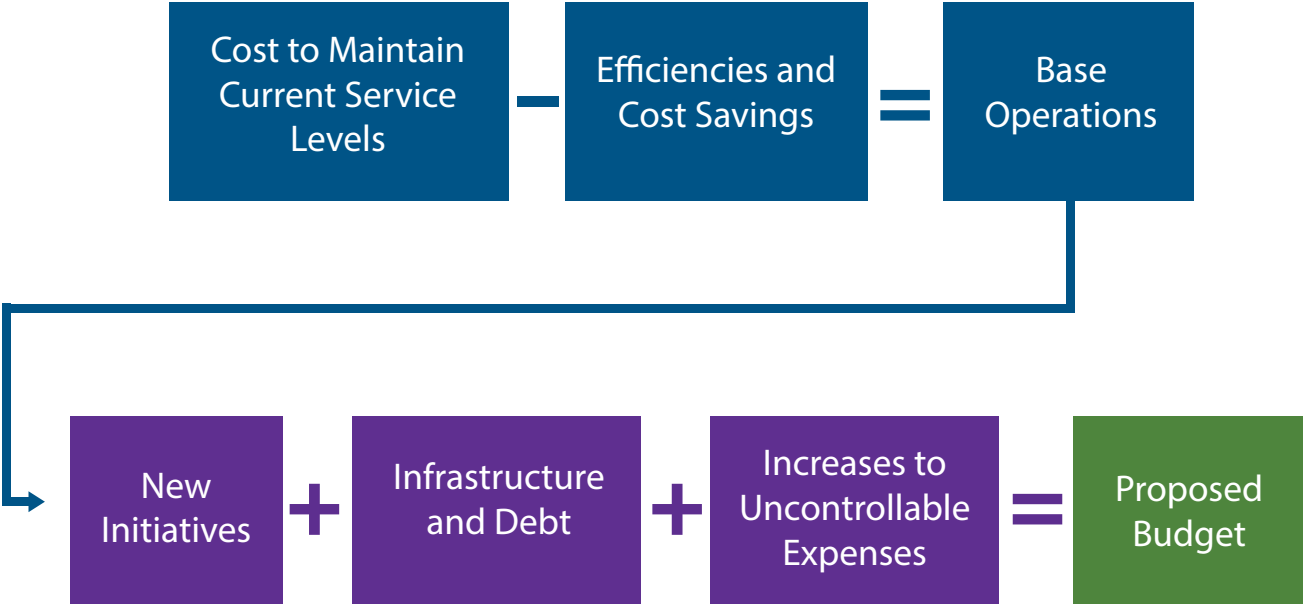
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Monitoring and Adjusting

The Treasurer monitors budget implementation throughout the year. If unexpected financial challenges arise, the administrative team may suggest adjustments to the budget or recommend corrective measures for Council's consideration.



Budget Basics



Uncontrollable Expenses

Uncontrollable expenses are financial obligations that a local government is required to pay but cannot easily adjust or eliminate in the short term. Uncontrollables can take up a significant portion of the budget and limit flexibility in funding other initiatives or services.

These expenses are often driven by external factors, legislative mandates, or pre-existing commitments. A few examples include debt-related payments, pension benefits, mandated services such as health and social programs, infrastructure maintenance, and collective agreements.



Revenues

This includes all the income the municipality generates, primarily from property taxes, government grants, user fees (like water or waste collection fees), and other sources.

Expenditures

This covers all the costs the municipality incurs in delivering services to residents, such as salaries for municipal employees, maintaining infrastructure, public safety, and capital investments such as building roads or community centers.

Debt

Debt is a critical financial tool that enables municipalities to finance capital projects that are vital for community development, infrastructure, and long-term sustainability. While debt allows for the spread of large costs over time, it must be carefully managed to avoid overburdening the municipality with debt servicing costs. Proper management ensures that municipalities can invest in the community's future without jeopardizing their fiscal stability.

Municipalities can use debt to fund large, one-time capital expenditures that have long-term benefits, such as:

- Construction or repair of infrastructure
- Building public facilities
- Purchasing major equipment

Borrowing spreads the cost over the useful life of the asset, meaning future residents who will also benefit from the project will help pay for it through taxes or user fees.

Surplus

A surplus occurs when revenues are greater than expenditures, meaning that the municipality has more income than it needs to cover its expenses. Municipal surpluses are generally not meant to be retained indefinitely; instead, they are typically used for various purposes, including:

Funding Future Expenses: Surpluses can be set aside to help fund future operating or capital projects, such as road repairs, parks development, or public facilities, without needing to increase taxes or take on new debt.

Reducing Debt: Municipalities may use surplus funds to pay down outstanding debt or avoid borrowing in the future, thereby reducing interest costs.

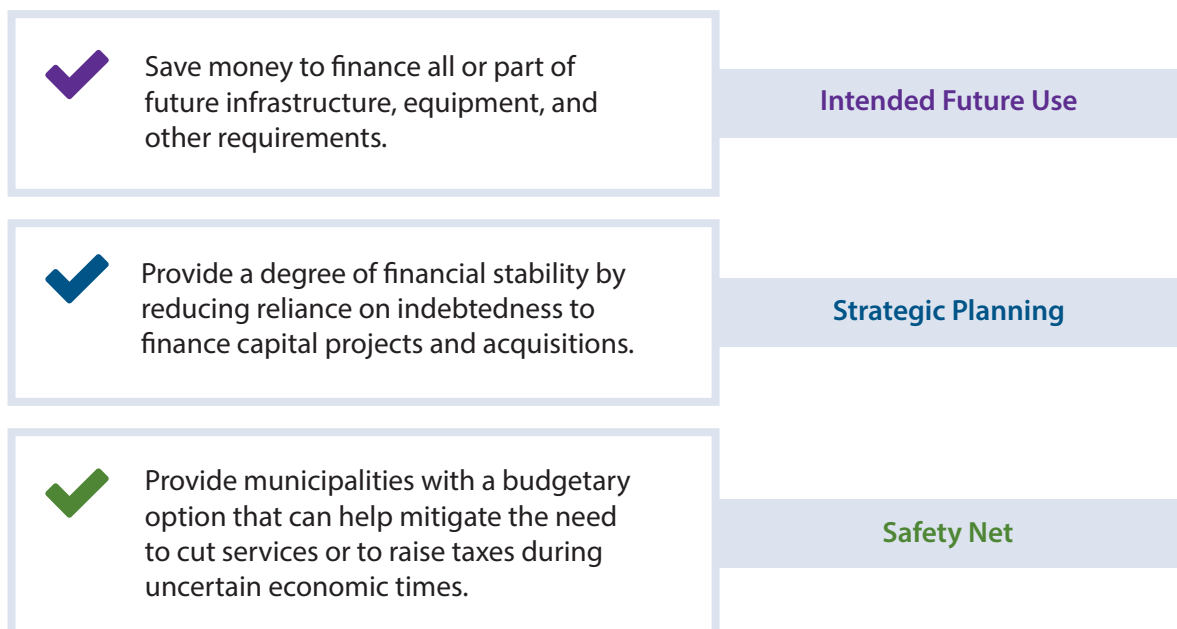
Stabilizing Tax Rates: A surplus can be used to stabilize or reduce property taxes in future years, providing financial relief to residents, especially if the municipality anticipates budget challenges in the coming years.

Emergency Fund or Reserves: Some of the surplus might be allocated to reserves or an emergency fund to cover unexpected costs, such as responding to natural disasters or economic downturns.

A surplus demonstrates sound fiscal management, showing that the municipality is living within its means, managing its finances well, and potentially planning for future financial needs. In Ontario, municipalities are required by law to balance their budgets, meaning they cannot run a deficit (spend more than they earn) unless specific provisions allow for it.

Reserves and Reserve Funds

Reserves are intended to help local governments achieve tax stability and to help ensure an orderly provision of services. They serve to:



About Obligatory Reserve Funds

Legislation requires that certain funds be segregated from the general revenues. They are shown as “deferred revenue” on financial statements.

Examples include

- Gas Tax (Federal/Provincial Transfer Payments)
- Sinking and Retirement Funds (Municipal Act)
- Local Improvement (Municipal Act)
- Restructuring (Municipal Act)
- Trusts (Municipal Act)
- Reserve Funds (Development Charges Act)
- Treasurer’s Statement (Development Charges Act)
- Lot Levies (Development Charges Act)
- Front Ending (Development Charges Act)
- Cash-in-Lieu of Parkland (Planning Act)
- Payment-in-Lieu of Parking (Planning Act)
- Reserve Fund (Building Code Act)

About Discretionary Reserve Funds

Established at the discretion of Council and can be established through by-law. These funds are earmarked for a specific purpose and are shown as part of “accumulated surplus” on financial statements.

Examples of Discretionary Reserve Funds

- Capital Reserve Funds
- Tax or Rate Stabilization Reserve Funds
- Debt Retirement Reserve Funds

Examples of Discretionary Reserves

- Winter maintenance
- Working funds (for cash flow)



Tax Rates and Increases

The tax rate increase refers to the percentage change in the tax rate from one year to the next. Here's an example of a new tax rate based on a 5% increase.

$$1.5\% + (1.5\% \times 5\%) = 1.575\%$$

This means that next year, residential ratepayers would pay 1.575% of their property's assessed value in taxes instead of 1.5%.

Municipal property tax rates in Ontario generally increase with inflation, but the actual increase depends on the local government's fiscal health, infrastructure needs, and budget priorities.

Property Value, Classes and Ratios

The tax ratio is the relationship between the assessed value of a property and its market value. It determines what portion of a property's actual market value is used for tax purposes.

- There are different tax rates for different classes of property.
- The differences between these tax rates is the tax ratio.
- The tax ratio is the ratio of the tax of a property class when compared to the tax rate of a residential property.
- Tax ratios are set annually by Council, but limits are set by the province.

Property tax is based on the assessed value of a property. The rates for the municipal portion of the tax are established by the Municipality.

- Every four years, all properties in Ontario are assessed by the Municipal Property Assessment Corporation (MPAC).
- There are 8 standard classes of property: **residential, commercial, farm, hospitality, managed forests, multi-residential, industrial, large and special purpose** (sub classes and optional classes exist).

Example

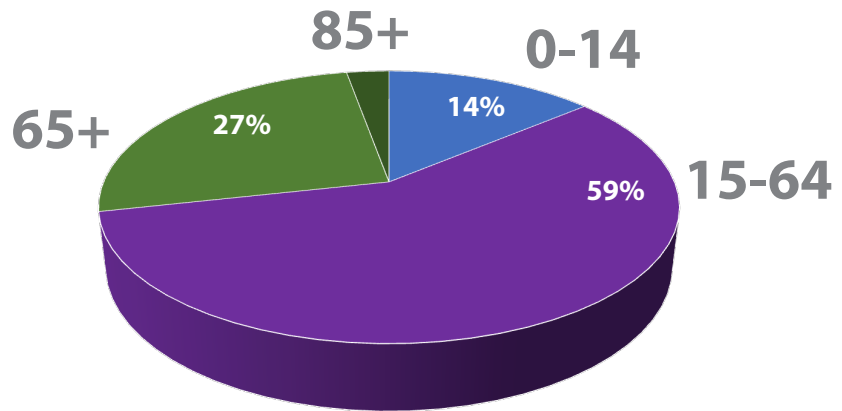
Property Market Value: \$300,000
Tax Rate: 1.5% with Tax Ratio: 80%
Revised Tax Rate: 1.2%
Property Tax: $\$300,000 \times 0.012 = \$3,600$

About Our Community

Statistics Canada Census 2021

Population
14,583

up 1.5%
since 2016



Average household
income before taxes

\$84,300

(2020)

Provincial Average
\$116,000

Unemployment rate

West Nipissing

9.9%

Ontario

5.6%

Culture



19% of residents
identify as
Indigenous

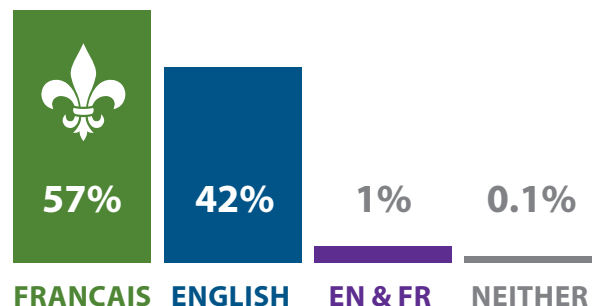
900 First Nations

1835 Métis

25 Inuit

310 Immigrants

First official language



Households



68%

Multi-person & family



2%

Multi-generational

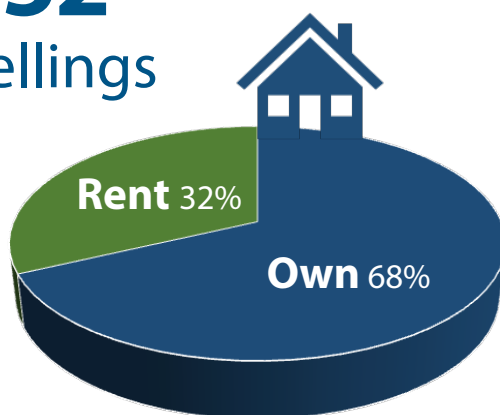


30%

One-person

Housing

7252
Dwellings



Average property
\$364,700
as per realtor.ca

Types of dwellings

74% Single-detached house

3% Semi-detached house

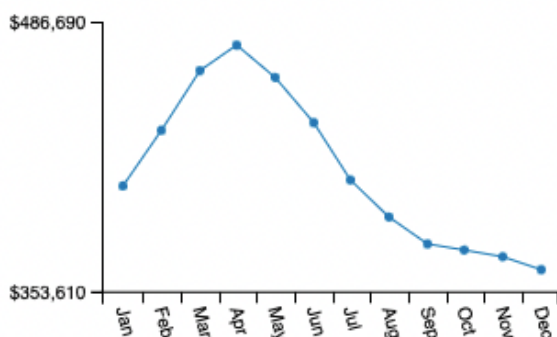
2% Row house

6% Apartment or flat in a duplex

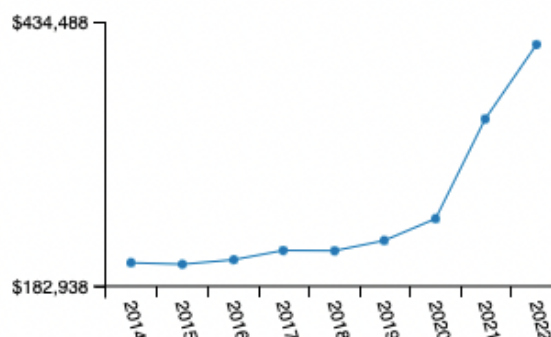
14% Apartment in building

1% Other

Past 12 months



Past 9 years



About the Corporation

48+ facilities to maintain

Including:

- 1 Administrative building
- 2 Arenas
- 6 Community Centres/Halls
- 2 Fitness Centres
- Pool
- Museum
- Information Centre
- Ambulance Bay Building
- Verner First Response Building
- West Nipissing Health Centre
- 2 Scout Buildings
- Field Senior's Building
- OPP Building
- 5 Cemeteries

Team of
266 includes Council,
employees, firefighters,
and management

Almost
2,000 km²
Land area

Waste & Recycling

 Approximately
75% of households have
curbside pickup

Parks and Recreation



- 6 Outdoor Rinks
- 4 Soccer Fields
- 6 Baseball Fields
- 10 Parks and Playgrounds
- 3 Splash Parks
- Beach Volleyball Court
- Tennis Court
- 9 Boat Launches/Docks
- Minnehaha Bay and Marina
- Cache Bay Trailer Park Site
- 3 Public Beaches

managing

535 km 
of roads

7.5 population
density per km²



9 Fire Stations

7 Landfills
5 Recycling Depots



Municipal Services



Water and
Wastewater



Roads, Sidewalks
and Drainage



Waste and
Recycling



Fire and
Emergency



Building and
Planning



By-law
Enforcement



Economic
Development



Maintenance of Facilities
and Green Spaces



Licensing and
Permits



Taxation
Services



Cemetery
Management



Parks and
Leisure



Arts, Culture, and
Community Development



Health and Wellness
Programming



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