



TOWN OF
Parry Sound

2021 Municipal Budget

Alternative Formats Available Upon Request

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Contents

Executive Summary	5
Overview	13
Supporting Our Community	31
Summary of Changes to Net Levy by Divisions	33
Operating Budget	34
Property Tax Supported Operations	34
Non-Property Tax Supported Operations.....	37
Impact on the Ratepayer – Municipal Taxes	41
Items for Council Consideration.....	43
Mayor and Council.....	47
General Government.....	51
Office of the Chief Administrative Officer	53
Economic Development.....	55
Development & Protection Services	57
Emergency & Protective Services	59
Fire Service	60
By-law Enforcement	62
Building	63
Planning	64
Development	66
Public Works & Recreation	67
Transportation Operations	69
Winter Control	71
Storm Water Control.....	72
Waste Management	73
Information Technology	75
Municipal Office.....	77
Cemeteries.....	79
Bobby Orr Community Centre	81
Parks and Recreation	83
Finance	85
External Levies, Boards & District Services	89
Non-Tax Supported	95
Land Ambulance	97
Provincial Offences Act	99
Charles W. Stockey Centre for the Performing Arts & Bobby Orr Hall of Fame.....	101
Water Systems	105
Wastewater Systems.....	3. 107

Capital Budget.....	109
Reserves and Reserve Funds	127
Supplementary Information.....	145
Appendix A.....	161

Executive Summary

We are pleased to provide the 2021 Draft Budget to the residents and businesses of the Town of Parry Sound. It is intended to serve as a policy document, financial plan, operational and service level guide as well as a communications tool. The budget package provides a broad overview of the Town, its operations, and the associated budgets. Within this package we have provided information regarding the Town's operating and capital budgets. In addition to these financial overviews, the budget package incorporates demographic and other information about our community, the Town's Strategic Plan, and financial policies.

Benchmarking against other municipalities and internally tracking year over year performance is important. The Town participates in the BMA Study. This study is a benchmarking study that has identified several key performance indicators for municipalities. They track year over year performance for 110 Ontario municipalities. They also provide comparative information with similar municipalities as part of the package.

We hope you find the package informative.

Budget Philosophy

The Town takes the management and stewardship of public funds seriously. Through Council, the Town delivers a wide range of services that residents expect within the legislative framework established by the Province of Ontario.

The Town's budget process is continually reviewed and refined. Compiling the annual budget involves staff at various levels from across the organization. Finance issues budget guidelines to staff from which they build their budgets. The budgets are reviewed by the respective Department Head, amended as necessary and forwarded to Finance for further consolidation and review. Next, the CAO and the Department Heads begin a review of the operating and capital budgets, keeping in mind Council guidelines, strategic priorities and other factors in the municipal sector that may impact

the municipality over the next year. Once this review is complete, a draft budget is presented to Council and the public for discussion and consideration.

Throughout the year requests are brought to the attention of Council by residents and community organizations. These requests are captured and provided to Council for consideration. Identified in the budget package are requests with operating budget implications totaling \$35,024 and capital requests totaling \$70,000. After Council considers the requests, any requests they wish to undertake will be added to the draft budget.

Continuous Improvement

The Town's budget process focuses on containing costs and implementing best practices, with the goal of demonstrating leadership in financial management and providing residents with value for their property tax dollar. This continuous improvement approach to municipal operations has resulted in cost savings that are reflected in the Town's budgets as they are implemented:

- An Information Technology Modernization Review was undertaken to complete a comprehensive review of the use of technology in the Town to identify opportunities for greater efficient and effective use of technology
- Advancement of the Asset Management Plan which included the creation of new asset ids, condition information and incorporation of the street scan information collected to assist with prioritizing the future road network and sidewalk projects
- Development of service levels to manage risk and inform asset management.
- Building and Planning Departments are moving towards an online application process to facilitate electronic public submission
- Continued efforts to modernize Provincial Offences Act trials through video conferencing and implementation of audio teleconferencing for early resolution
- New compactors at the land transfer station will reduce waste transport charges
- Participation in climate change initiative that will target reduced GHG emissions beginning with examining the feasibility of fuel switching and electric vehicles
- Solar project study on the old landfill site

- Examining the replacement of blowers for the management of energy usage within the water/wastewater plant (fan reconfiguration)

These are examples of continuous improvement opportunities that have been identified by staff and are in process or completed to impact 2021 and the future.

Budget Challenges Compounded by the Ongoing COVID-19 Pandemic

With the onset of the Covid-19 worldwide pandemic, and many of the Town's revenues are at risk, the 2021 budget year has not been business as usual. The Charles W. Stockey Centre, which typically operates as a business unit with the focus on striving for full user fee support, has taken a hard look at costs and operations to accommodate the significant reduction expected in user fee revenues to avoid increased taxation support. Significant changes were required to operations, product offerings and staff complement to accommodate the pressures of lost revenues expected of be \$455,741 due to Covid-19.

Other revenues impacted by the pandemic are reductions at the Bobby Orr Community Centre expected at \$59,840, Parks and Recreation revenues at \$9,773, and reduced investment earnings expected at approximately \$65,000.

An article published on February 16, 2021 and written by a Senior Advisor at the Association of Municipalities of Ontario; Rick Johal summarizes the increased burden of insurance as follows: "2021 is representing a challenging year for municipalities in several ways. One of these challenges focuses on insurance premiums. It is a growing trend that municipal governments are reporting significant increases and, in some cases, even struggling to get quotes. This can be attributed to a series of factors including being in a "hard" insurance market, managing challenges arising from COVID-19, and joint and several liability that continues to place a heavy burden on municipalities...the Federation of Northern Ontario Municipalities (FONOM) and the Northwestern Ontario Municipal Association (NOMA) shared some initial data gathered from their members on insurance premiums...for nearly 65 municipalities...the average

rate of increase is just of 20%.”¹ The Town of Parry Sound, not unlike the others polled, has been impacted by these insurance increases creating an additional burden of \$100,255.

In addition, an amendment to the Workplace Safety & Insurance Act on July 1st, 2018 has now resulted in the Town’s Excess Workers’ Compensation Indemnity Insurance provider refusing to provide this type of coverage in 2021 for the Town’s Firefighters. This industry wide issue has prompted staff to recommend a change from a WSIB Schedule 2 employer, self-insured, to a WSIB Schedule 1 employer to be part of the group insurance pool. We are advised that the exposure to claims risk can get quite high. The presumptive legislation changes that occurred in 2018 that impact firefighters, has resulted in the Town’s excess indemnity insurance provider opting out of providing coverage for the volunteer firefighters. This has necessitated the consideration of a move from a schedule 2 employer to a schedule 1 employer. The change involves additional premiums that increase costs in 2021 for the balance of the year by \$150,727. There is a full report, with a recommendation to Council on this matter.

Over the past few years, the Town has continued to see increased development. Using building permit activity as an indicator, the construction value of permits issued in 2020 reached \$15.7 million, which is consistent with 2019 and 2018 growth levels. Due to the ongoing pandemic, assessment growth has not been reported in 2021 at the levels expected and the scheduled assessment update has been placed on hold by the Province. With assessment growth translating to only \$36,773 in additional revenue, rising costs have been difficult to absorb within the operating budget. This amount is only 1/3 of the growth revenue received in recent years.

To accommodate rising costs, staff have undergone a through review of discretionary spending including the following areas and made reductions without compromising service levels:

¹ Joint and Several Liability & Rising Municipal Insurance Costs, Rick Johal (LAS – AMO Business Services, February 16, 2021)

- Consulting engagements
- Contracted services
- Reviewing part-time/summer student complement and vacant positions
- Conferences, training, and meals

Operating Budget Overview

Council has a policy that sets out a range for year over year increases in the tax levy. In the absence of a collective agreement, the 2021 range has been approved by Council at the October 20th meeting between 1.8% and 3.6%. The draft operating budget being presented to Council is 0.66%, excluding the annual increase of 1.8% for infrastructure. In addition to the operating budget requirement, Council has a policy of increasing taxes annually by 1.8% to fund infrastructure (\$204,826) through the dedicated capital levy. Combined, the total increase for 2021 is 2.46%. The increase is approximately \$34.08/year for every \$100,000 in residential assessment. It's worth noting that not all your property taxes are used to fund services provided by the Town. Town services represent 54.5% of your property tax bill, 30% funds district level services/external levies and approximately 15.5% is collected for the Province for education.

To put the operating budget into context for the residents, every additional \$116,952 added to the operating budget is approximately equal to a 1% increase in property taxes. The Town's total operating budget is approximately \$31.1 million. The budget is funded by user fees and various other revenues (68%) with property taxation providing the balance of the funding (32%).

Through continuous improvement initiatives and various other efforts most departments across the Town have managed to contain departmental costs resulting in an increase of only \$77,115 in property taxation for 2021 (net of growth). The majority of the cost pressures in 2021, including Covid -19 have been offset leaving only a portion to be covered by a tax increase (approximately \$77k or 0.66%).

Capital Budget Overview

In addition to the delivery of services the Town is responsible for the maintenance and replacement of municipal capital assets. The value of these assets at their historical cost is approximately \$197 million including land valued at \$7.6 million. Aging infrastructure is an issue faced by all municipalities. Often the cost of infrastructure requiring rehabilitation exceeds available funding. This situation is referred to as an infrastructure deficit. To actively address this funding issue associated with aging infrastructure Council established a policy requiring an annual increase in tax funding for infrastructure (1.8% each year for 20 years). These funds are dedicated to maintaining and replacing the Town's assets.

In 2020, many capital projects were placed on hold as a precaution in the face of uncertain cash flows, they are now being carried forward for completion in 2021, many have been started. The budget total for these projects is approximately \$4.5 million. Given the number of projects that are carried forward staff recommends focusing on the completion of previously approved capital projects and proposing a shorter list of new capital projects for 2021. The proposed list of additional capital projects for 2021 is \$3.1 million funded from a variety of sources. Funding sources include Federal and Provincial Grants which the Town has been aggressive in pursuing.

The 2021 new capital projects are 54.2% funded by \$1.68 million in grants. \$157,208 more is being contributed to future infrastructure replacement in 2021 by transfer to reserve and of the 2021 capital projects proposed, 9.6% less current year property taxation funding is planned for use.

Future Initiatives

As mentioned, all municipalities are facing infrastructure deficits. Following the passing of the Strategic Asset Management Policy in 2019, staff have begun the process of updating the Asset Management Plan which will lead to the development of a multi-year capital budget. These tools will add an element of predictability and assist the Town in its decision making as we look to the future. A focus on climate change management

will be part of future planning as required under the principles identified in the Infrastructure for Jobs and Prosperity Act, 2015.

Conclusion

The 2021 draft budget represents a responsible balance between various competing interests with limited resources available. In 2021, the Town has proactively managed operating costs pressures and reduced revenues as a result of Covid-19. The year's budget impacts remain low at 0.66% for operating and 1.8% for infrastructure despite an impact of a change to WSIB premium coverages required to maintain acceptable levels of risk of approximately \$150,000 and insurance premium increases of \$100,000. Overall, the draft budget maintains established levels of services with some adjustment to offer alternate programming within covid-19 in-person limits and required guidelines/regulations, while allocating funds to maintain aging infrastructure and supporting the Town's strategic direction.

Respectfully submitted,

The Chief Administrative Officer and the Senior Leadership Team

Town of Parry Sound

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TOWN OF
Parry Sound

Overview

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About the Town of Parry Sound



In 1857 the Town was initially established near the Ojibwa village of Wasauksing, at the mouth of the Seguin River. 30-years later, it was incorporated as a Town, and by the late 19th century the Town had become an important depot along the rail service to Western Canada.

Named after the sound on which it sits, Parry Sound is located on Highway 400 approximately 2 hours north of Toronto and 90 minutes south of Sudbury, hugging the shores of the world's largest freshwater archipelago, known as the 30,000 Islands. Not only is Parry Sound the world-renowned jewel of the 30,000 Islands, home to one of the deepest natural freshwater ports but is also part of the UNESCO designated Georgian Bay Biosphere Reserve.

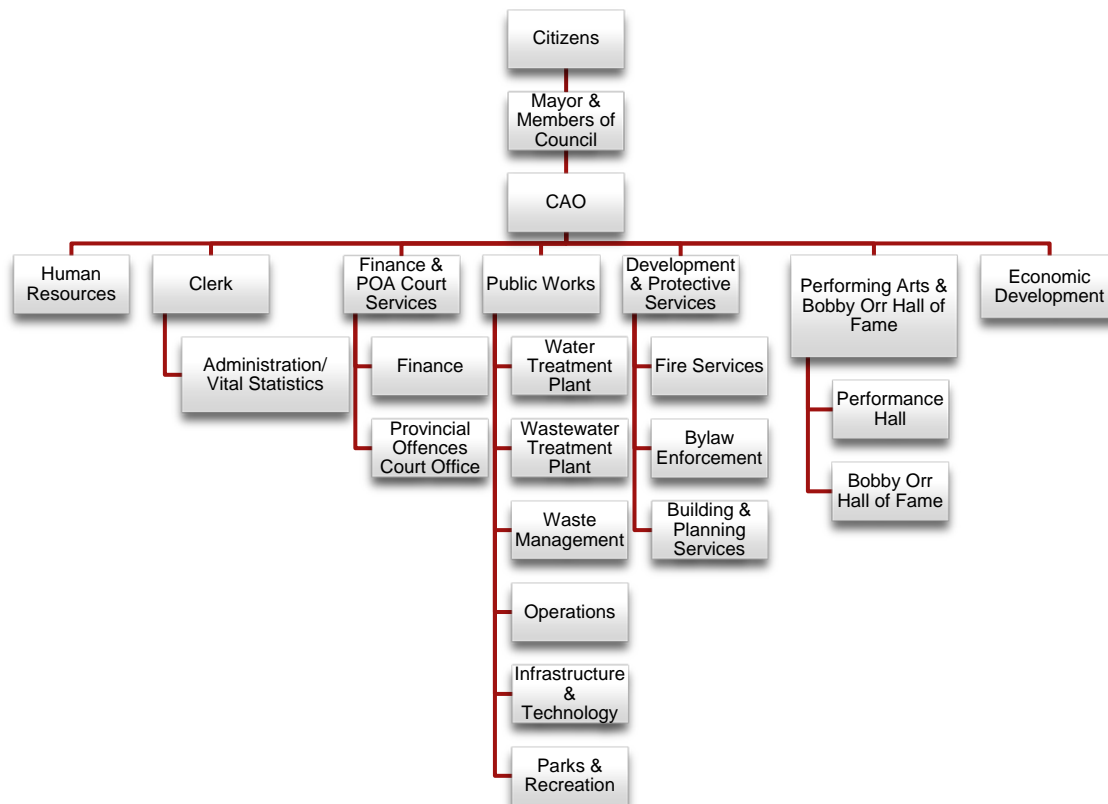
Parry Sound is rich in arts, culture and heritage. The Charles W. Stockey Centre for the Performing Arts and the Bobby Orr Hall of Fame are home to the international summer music festival, the Festival of the Sound. The Hall of Fame pays tribute to Parry Sound hockey hero, Bobby Orr.



The 6 km Rotary and the Algonquin Regiment Fitness Trail is a waterfront trail linking to the North Shore Rugged Trail. Stop along the way for a quick swim in sparkling, clean waters, enjoy a picnic at Waubuno Beach, or catch a breath-taking sunset over the Bay.

Organizational Profile

The Town of Parry Sound is a single-tier municipality responsible for the municipal services within the Town's boundaries. Unlike other single-tier municipalities within the District of Parry Sound, the Town is also responsible for the administration of the District's Provincial Offences Act Office and Land Ambulance. The Town's governance is made up of a mayor and six members of Council, who are elected at large by the residents of Parry Sound. Council acts as the public's representative, but also considers the well-being and interests of the municipality.



Town staff work within various departments to ensure that the decisions made, and directions given by Council are executed. It is the work and efforts of staff that ensure the administration of the Town's programs and services

Partnering for the Future

2020 – 2030 Strategic Plan

The Strategic Plan sets the vision for the Town, guides priority setting and the allocation of resources. The annual budget draws on the Strategic Plan to provide guidance to Staff and Council regarding projects, programs and services.



Collaboration

Vision

The jewel of Georgian Bay, a sustainable community focused on opportunity, growth and healthy living.



Honesty

Mission

To listen to our residents and collaborate with our neighbours to deliver excellence and quality services that lead Parry Sound to a prosperous, healthy and sustainable future.



Accountability

Values

The Town of Parry Sound is committed to its five corporate values. These values guide our decision making, our actions and our interactions. They are a foundation for our culture. They “CHART” a course for our future success.



Respect



Transparency

2020-2030 Strategic Priorities



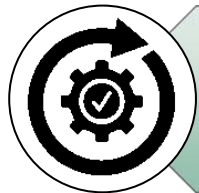
Economic Growth

Parry Sound will be development ready, and will strengthen and diversify its economy to provide sustainable growth, quality employment and housing that is attainable.



Quality of Life

Parry Sound is a great place to live, work, play, invest and grow.



Organizational Excellence

The Town of Parry Sound is responsible and accountable to its residents to deliver value for taxpayer dollars.

Snapshot of our Community

The Town participated in the BMA Management Consulting Inc. Municipal Study – 2020, which is a study comparing 110 municipalities in Ontario, representing in excess of 85% of the population. In 2020, there were 10 Northern participants (Elliot Lake, Espanola, Greater Sudbury, Greenstone, Kenora, North Bay, Parry Sound, Sault Ste. Marie, Thunder Bay and Timmins), and 31 municipalities with populations less than 15,000.

Socio-Economic Indicators

Socio-economic indicators assist a municipality providing insight into its ability to generate revenue relative to the municipality's demand for public services.

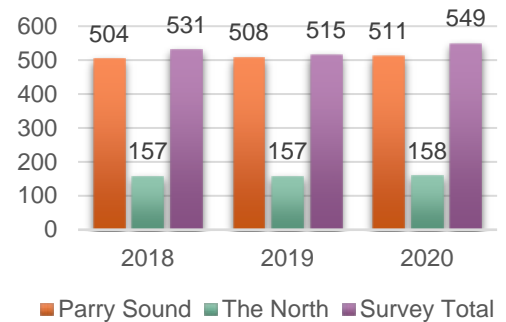
Population Density

A review of population density, the number of residents living in an area, provides insight into the age of a city, growth patterns, zoning practices, and development

opportunities. The greater the population density, the more likely a municipality may be outgrowing its boundaries, services and infrastructure needs.

The Town’s density per square kilometer is significantly greater than the Northern average. The Town’s land area of 13 square km must provide the services to over 6,851 people.

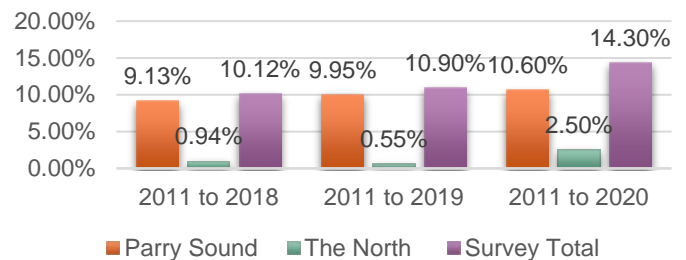
Population Density per sq. km



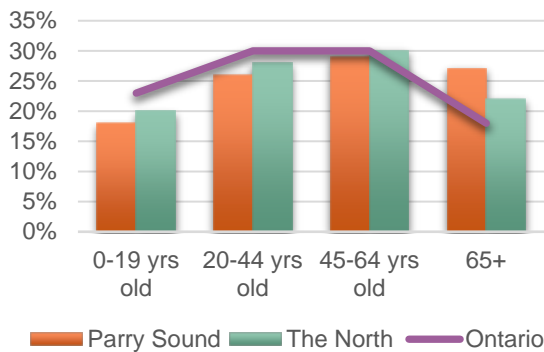
Population Growth & Age Demographics

Parry Sound has consistently experienced better population growth, since 2011, when compared to the other Northern participants.

Population Growth



Age Demographics



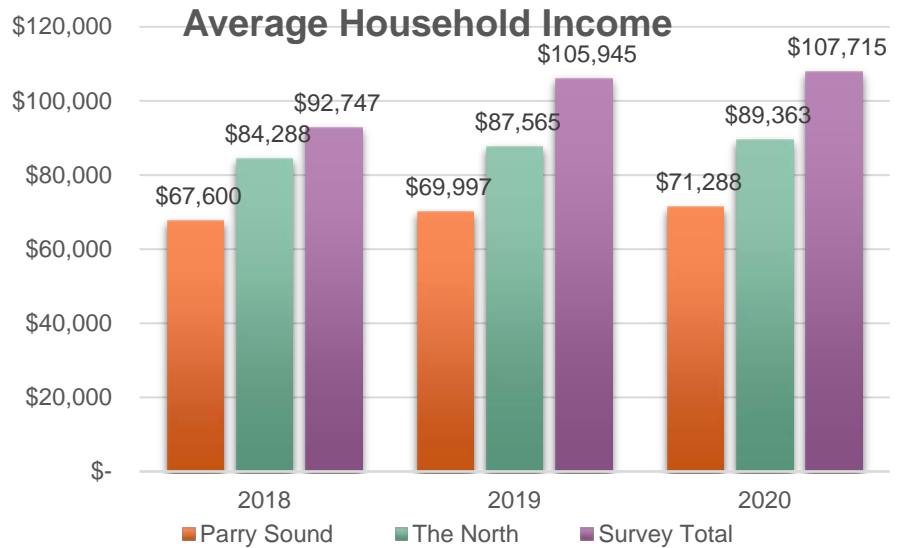
According to the 2016 Census, 27% of the Town’s population is 65 years and over. This is in comparison to the Provincial average of 18%. Like many Northern communities there is an increasing percentage of the population that is over 65 years in age. The age profile of the Town plays a role in understanding the programs and services desired by ratepayers.

Average Household Income

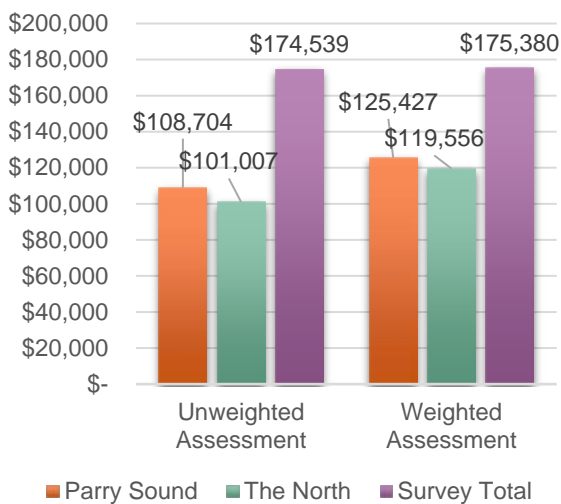
The Town's average 2020 estimated household income is \$71,288 which is \$18,075 lower than the Northern average, and \$36,427 lower than the survey average.

The Town continues to experience the pressures to ensure that tax levels are affordable for ratepayers, while still providing the expected programs and established levels of service while moving our community forward.

The Town must also balance the reality that the provision of some services may be higher in the North.



Assessment per Capita



Property Assessment

Municipalities raise a portion of their revenues by charging taxes on a property's assessment, as provided by MPAC (Municipal Property Assessment Corporation). The stronger the assessment base, the easier it is for a municipality to generate revenues.

Using weighted assessments considers the different property classes and applies the tax ratios to the unweighted assessment.

For example, a residential property’s ratio is 1.0, and a commercial property is 1.664617. If you had \$100,000 of commercial assessment, it would be the same as \$166,462 of residential assessment.

Tax ratios are used to express how other property tax rate classes compare to the residential rate. The Town has maintained its tax ratios since 2008, which has prevented a change to the ratios as any change would require the reduction of ratios, and therefore place a greater tax burden on the residential property owners. The Town’s tax ratios are lower than the survey average. This means that the other tax classes, on average, pay closer to the residential class than in other municipalities.

Per the BMA study, approximately 64% of municipalities surveyed have tax ratios for non-residential classes that are greater than 1.0. The result of these ratios is a shift in the tax burden away from residential properties.

Location	Residential Unweighted Assessment	Residential Weighted Assessment	Change % Unweighted to Weighted
Parry Sound	74.00%	64.10%	-13.30%
Survey Total	75.80%	74.20%	-0.30%

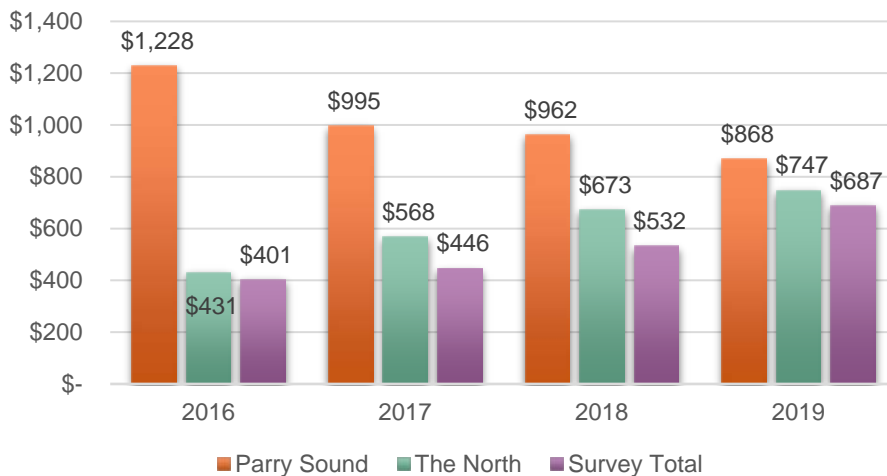
Financial Indicators

Financial indicators, along with some socio-economic indicators, combine to provide a foundation for a municipality to evaluate its financial outlook and performance.

Sustainability

The ability to provide and maintain service and infrastructure levels without resorting to unplanned increases in rates or cuts to services.

Financial Position per Capita



Financial position is the difference between the financial assets (what the Town owns) and liabilities (what the Town owes).

The Town has a healthy financial position when compared with the survey total, and the Northern participants.

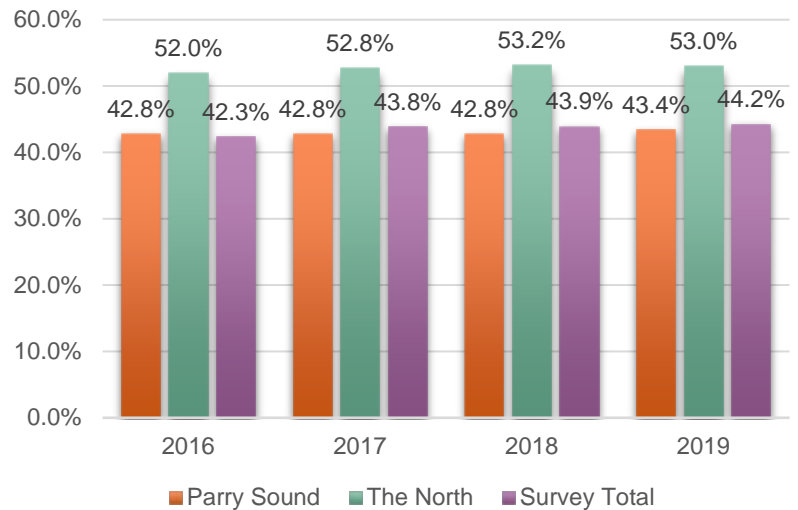
This position has enabled the Town to proceed with required borrowing for significant infrastructure projects.

Capital assets are amortized, an allocation of cost over time, based on its estimated useful life.

The Asset Consumption Ratio measures the amortized value of the assets versus the historical costs of the assets. A high ratio may indicate a significant need for replacements.

Like most municipalities, the Town is facing an infrastructure gap. Aging infrastructure is a reality, and the Town is working towards long-term planning to address these needs through asset management planning. The Town's historical ratios have been comfortably sitting within the Ministry of Municipal Affairs and Housing's (MMAH) 'moderately new' range. The recent infrastructure projects on Wakefield St., Dufferin St., Forest St., William St. and Emily St. have contributed to this healthier ratio.

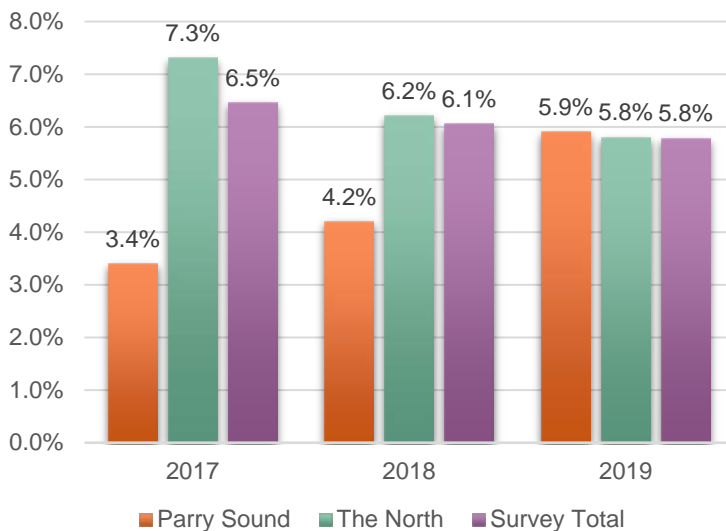
Tax Asset Consumption Ratio



Vulnerability

Addresses a municipality's vulnerability to external sources of funding that it cannot control and its exposure to risk.

Taxes Receivable as a % of Taxes Levied



Most of the revenue raised by the Town comes from property taxes. Every year, there is a portion of the ratepayers who do not pay their property taxes, which composes the taxes receivable balance.

Most credit rating agencies consider 8% or greater a negative factor. If a municipality sees a

consistent increase over time of this percentage, then it may indicate a decline in the municipality's health.

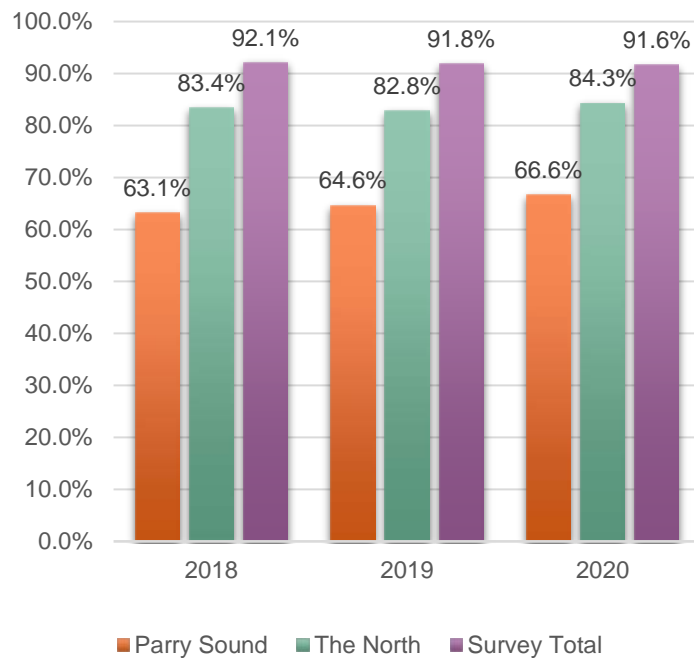
The Town is performing well on this indicator and has been successfully collecting property tax arrears.

The rates coverage ratio provides the municipality with a measure of our ability to cover costs through our own sources of revenue, i.e. omitting grants, Provincial funding and Federal funding.

The Ministry of Municipal Affairs and Housing (MMAH) indicates that a basic target is 40%-60%, an intermediate is 60%-90% and an advanced target is 90% or greater.

The Town is at the low range of the intermediate level. There is an unknown which is the impact of the municipal levies for the Land Ambulance Service. The Land Ambulance service is a significant cost which is shared amongst the various municipalities, which is not typically considered own source funds.

Rates Coverage Ratio



Flexibility

The ability to issue debt responsibly without impacting the credit rating. Also, the ability to generate required revenues.

Reserves and Reserve Funds



Reserves and reserve funds are important tools for a municipality, allowing for long-term planning, internal financing and dealing with unknown situations that may arise during the year.

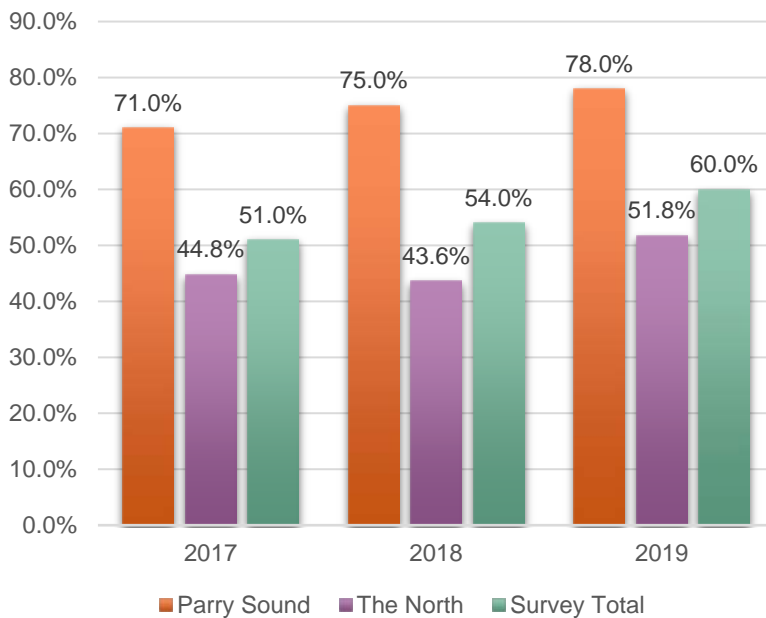
There are two types of **reserve funds**:

- **Obligatory:** required by legislation or agreement to be maintained in a segregated manner from the general revenues of the Town. Currently the obligatory funds are:
 - Development Charges
 - Subdivider Contributions
 - Revenue in lieu of land for park purposes under the Planning Act

- Gas Tax Funding (Federal and Provincial)
- **Discretionary:** created by Council when they wish to earmark revenues for future projects, and physically sets aside the funds. It is important to note that the Town does have some Reserve Funds established, that while not obligatory, are not available for the Town to use for “Town Use”. E.g. Land Ambulance Reserve Funds.

Reserves, on the other hand, are simply internal accumulations. There is no physical segregation of the assets, they do not earn their own interest and Council may establish a reserve for any purpose and apply the funds at their discretion.

Tax Discretionary Reserves as a % of Own Source Revenues



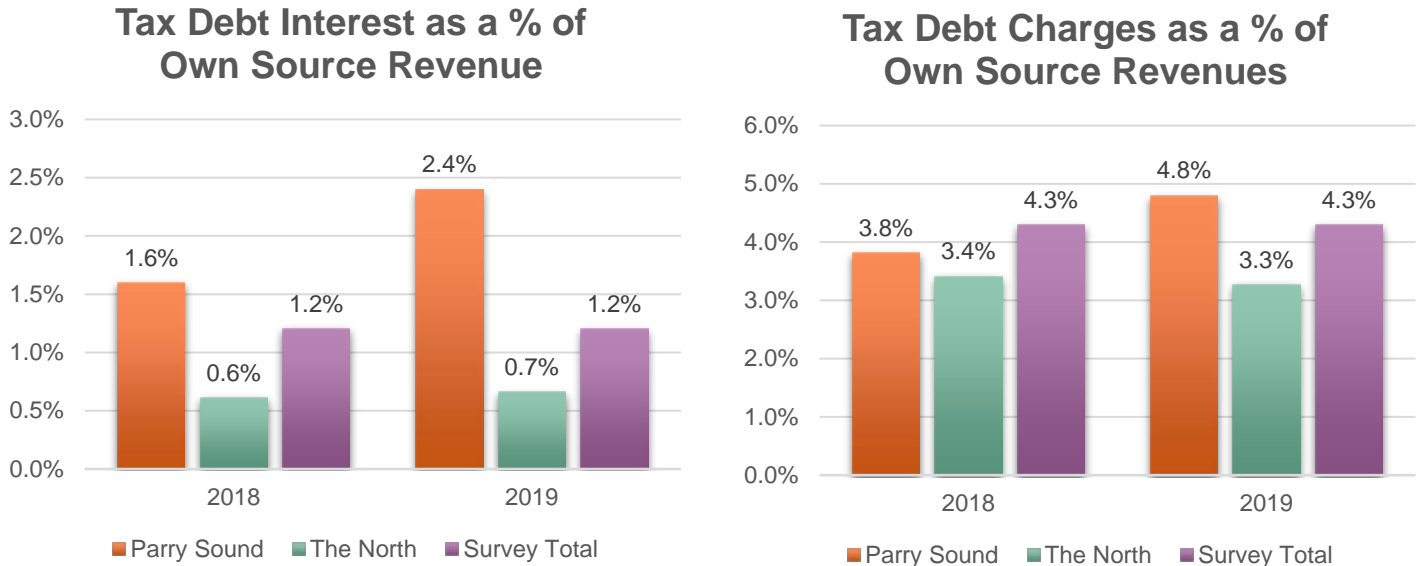
Parry Sound has significantly higher reserve balances when compared to the survey average and the North. It is important to note, that while the Town does have strong reserves, the comparison to other municipalities may be skewed by the existence of reserves that are not for “Town use”, such as the Land Ambulance funds.

Ensuring adequate contributions to reserves has been an important part of the long-term

planning that is occurring at the Town. Currently there are amounts contributed to reserves in anticipation of future expenses, such as the municipal election, fleet replacement and equipment replacement.

Debt

It is important to be aware of the level of debt, and the resulting obligations, to ensure that the reliance on debt is maintained at a manageable level, to maintain flexibility within the municipality and ensure compliance with the regulations set out by MMAH. It is only with approval that a municipality can have greater than 25% of the total Own Source Revenues servicing their debt and long-term obligations.

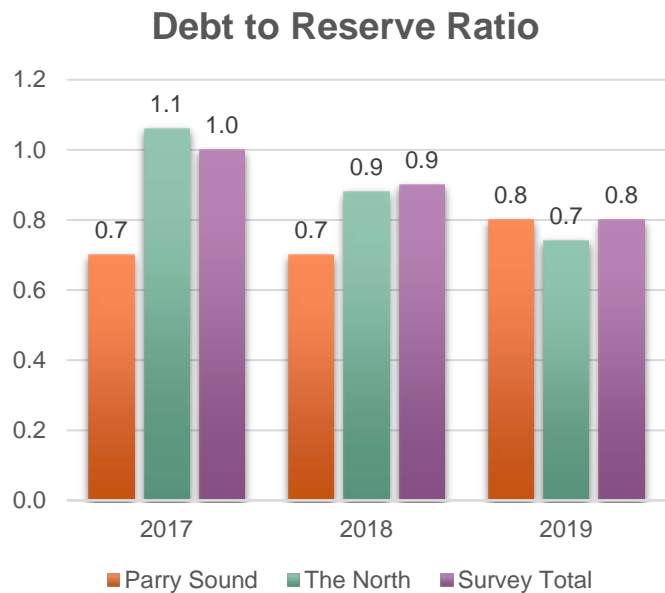


As indicated above, the Town's tax debt charges are in line with the survey average. The figures above do not consider the debt incurred for water and wastewater related infrastructure.

The Town's debt to reserve ratio was 0.8, which is consistent with prior years and the survey average.

The general benchmark by credit rating agencies for this ratio is 1:1. Ideally the outstanding debt should not exceed the total that is held in reserves and reserve funds, therefore, for every \$1.00 of debt outstanding there should be \$1.00 in a reserve or reserve fund

It is prudent to indicate that our ratio may be slightly lower due to the reserves held by the Town that are not for “Town use”.



Municipal Levy

When comparing the net municipal levy per capita amongst various municipalities it is not an “apples to apples” comparison due to the different make-up of each community. The net municipal levy per capita is an indicator of the total net municipal levy required to provide the municipality’s services, it is not a measure of how effectively this is being accomplished, nor an indication of the value for money.

Per BMA, there are many different reasons that net municipal expenditures per capita may vary. They are:

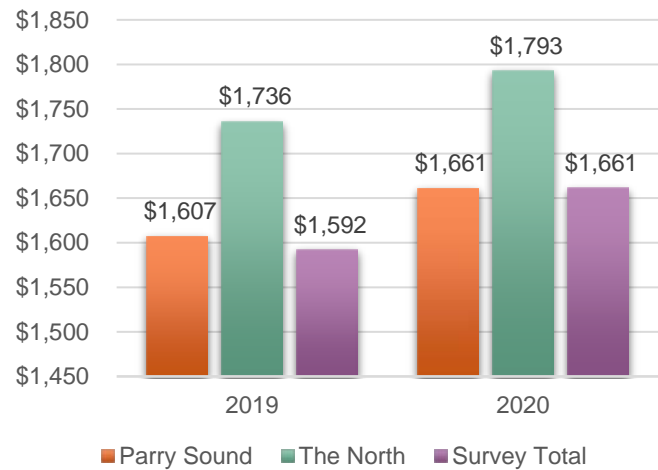
- Different service levels
- Variations in the types of services
- Different methods of providing services
- Different residential/non-residential assessment composition
- Varying demands for services
- Locational factors
- Demographic differences
- Socio-economic differences
- Urban/rural composition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

- What is being collected from rates as opposed to property taxes

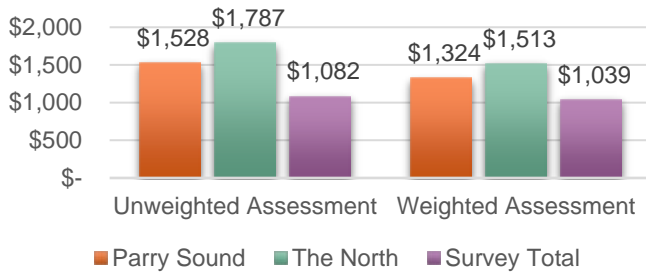
The population has remained steady within the Town, and the increase in net municipal levy per capita could be attributed to:

- The introduction in 2017 of a dedicated amount for capital investment (per 2016 Asset Management Plan);
- Increase in the costs to provide the services;
- Decline in funding available, such as the Ontario Municipal Partnership Fund (OMPF) and
- Service level improvements that have been introduced

Net Municipal Levy Per Capita



2020 Net Municipal Levy per \$100,000 of Assessment



The Town is doing well compared to the Northern average when it comes to the net municipal levy per \$100,000 of assessment. The difference between weighted and unweighted is the application of a municipality’s tax ratios. Basically, weighted assessment converts all assessment to be valued as

a residential property, where unweighted assessments are the actual assessments used by each class.

It is important to note, that as with many Northern communities, the Town experiences higher net levy when compared to the survey because it does not have a high assessment basis.

Community	Total Weighted Assessment	Population per BMA Study	Net Municipal Levy/Capita	Population Density per km²	Land Area (km²)	Net Municipal Levy/\$100,000 Weighted Assessment
Parry Sound	\$845,529,080	6,408	\$1,607	508	13	\$1,294
Huntsville	\$4,010,756,147	19,816	\$1,579	30	710	\$831
Bracebridge	\$3,268,779,290	16,010	\$1,785	27	628	\$931

Comparing the 2019 figures for Parry Sound, Huntsville, and Bracebridge the following observations can be made:

- The Town has a significantly lower weighted assessment
- The Town's population density is significantly higher than the other two communities, emphasizing the concentration of population within our 13 square kilometers
- The municipal levy per capita is similar, while the municipal levy per \$100,000 of weighted assessment is much more varied

Overall, the reality is that the lower the assessment, the harder it is to raise funds for new initiatives, service level increases or special projects.



TOWN OF
Parry Sound

Supporting Our Community

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Summary of Changes to Net Levy by Divisions

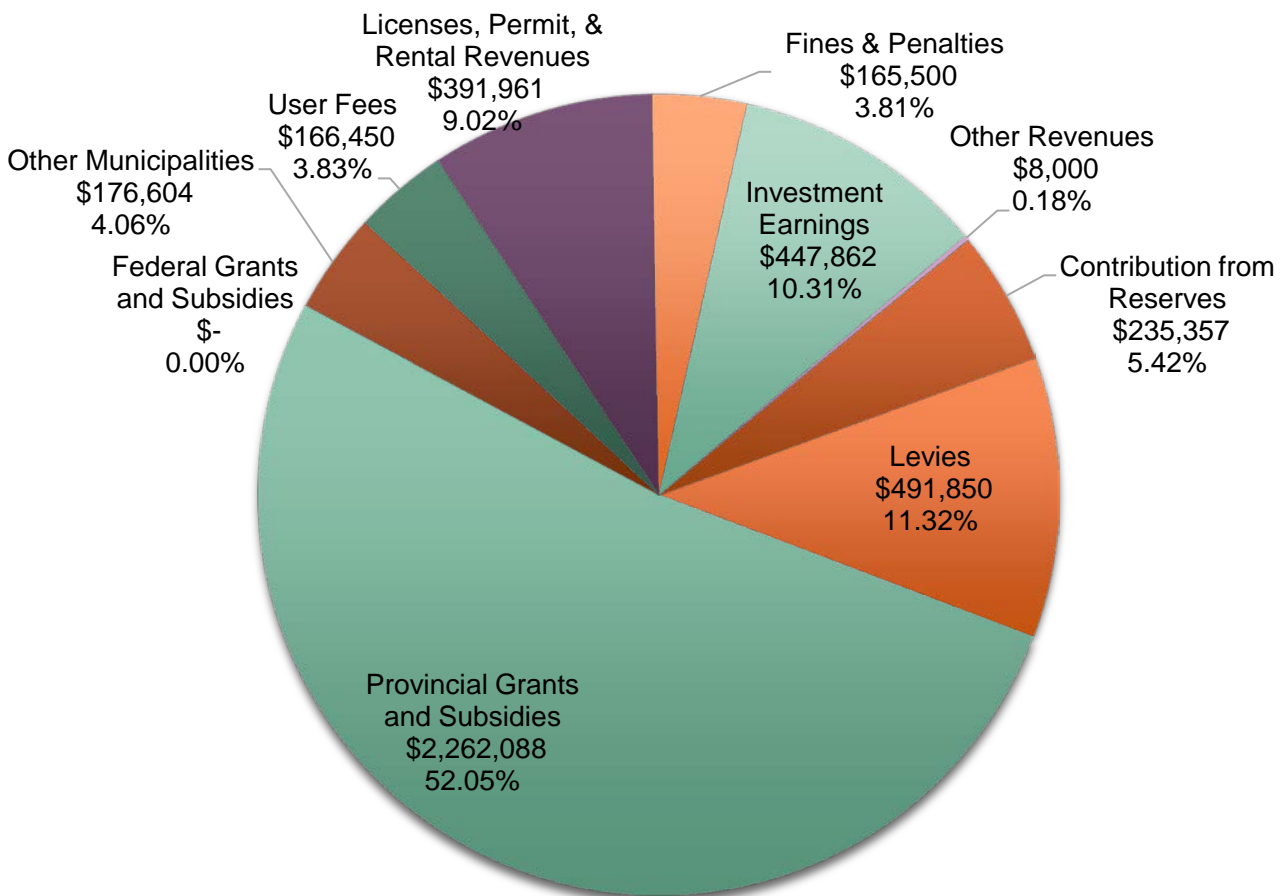
	2020 Budget	2021 Budget	Dollar Change	Percent Change
Mayor and Council	\$ 271,375	\$ 264,067	\$ (7,308)	-2.69%
Office of the Chief Administrative Officer				
Office of the Chief Administrative Officer	(1,634,699)	(1,662,750)	(28,051)	-1.72%
Economic Development	211,217	217,753	6,536	3.09%
Development & Protection Services				
Emergency & Protective Services	3,250	3,250	0	0.00%
Fire Services	654,180	751,045	96,865	14.81%
By-law Enforcement	166,032	161,806	(4,226)	-2.55%
Building	108,465	119,185	10,720	9.88%
Planning	198,044	205,507	7,463	3.77%
Development	72,010	213,816	141,806	196.93%
Public Works & Recreation				
Transportation Operations	1,908,815	1,797,885	(110,930)	-5.81%
Winter Control	800,425	779,181	(21,244)	-2.65%
Storm Water Control	307,355	340,123	32,768	10.66%
Waste Management	882,370	882,487	117	0.01%
Cemetery	140,040	142,477	2,437	1.74%
Information Technology	365,883	405,475	39,592	10.82%
Municipal Office	223,699	218,901	(4,798)	-2.14%
Bobby Orr Community Centre	435,770	450,239	14,469	3.32%
Parks and Recreation	912,447	911,877	(570)	-0.06%
Finance	253,920	171,093	(82,827)	-32.62%
External Levies/Boards/District Services				
Health Unit	223,199	178,090	(45,109)	-20.21%
Land Ambulance – Town Contribution	254,755	263,794	9,039	3.55%
Home for the Aged	135,035	120,284	(14,751)	-10.92%
Seniors	5,000	5,000	0	0.00%
DSSAB – Social Services	317,319	318,150	831	0.26%
Library	205,000	211,150	6,150	3.00%
Museum	33,076	34,750	1,674	5.06%
Stockey – Town Contribution	297,333	297,333	0	0.00%
OPP	2,193,667	2,259,974	66,307	3.02%
Airport	13,100	12,100	(1,000)	-7.63%
The Planning Board	7,000	7,000	0	0.00%
911 Levy	3,600	3,600	0	0.00%
MPAC Levy	93,179	93,127	(52)	-0.06%
Total Levy Required	9,851,861	9,963,114	111,253	1.13%

Operating Budget

Property Tax Supported Operations

Most of the Town's operations are supported to some degree from property taxes. Each year staff consider various revenue sources available, as well as the operating requirements of the Town to determine what needs to be raised through tax levies.

The proposed budget to Council has a total of \$14,308,786 in operating expenses. There is anticipated revenue of \$4,345,672 from other sources, including Provincial funding, user fees, investments, and contributions from reserves. The remaining \$9,963,114 must be raised from property taxes.



Each year there is pressure to do more with less, plan for the future, and maintain low debt levels. The challenge is to balance these issues and provide residents with value for their property tax dollars.

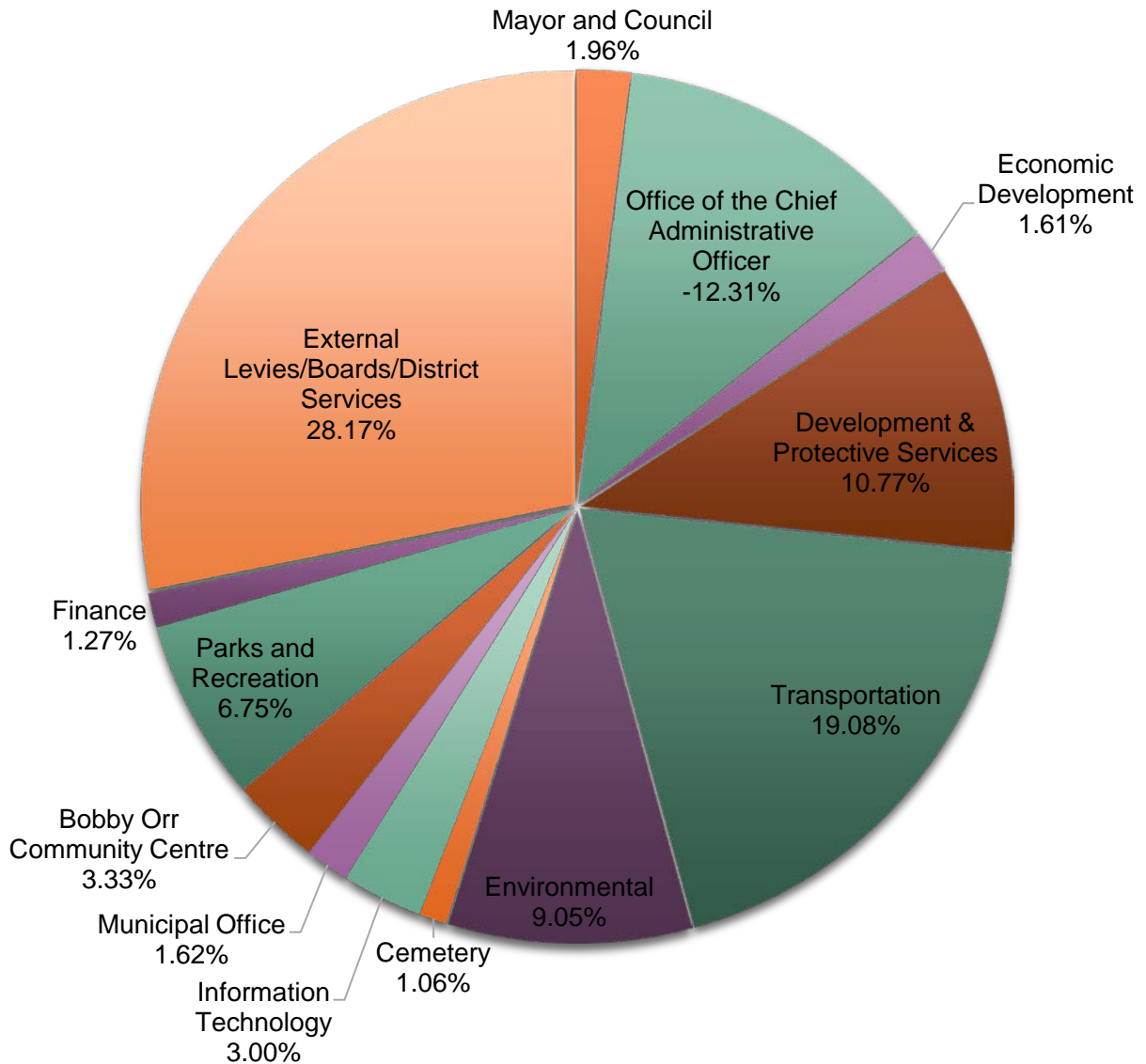
Investment earnings are expected to be reduced in 2021 by \$86,370 as a result of declining interest rates due to the economic downturn.

Covid-19 has impacted recreational programming, facility rental, and other arena revenues through increased restrictions on in-person public events.

As staff prepare the annual budget there is consideration given to the costs in the prior year, forecasts of costs in the coming year, and what services the Town will continue to provide, improve, or reduce.

2021 Budget by Functional Service Area

The operating budget has been grouped into nine different sections, following the segmented groupings format of the Town's financial statements.

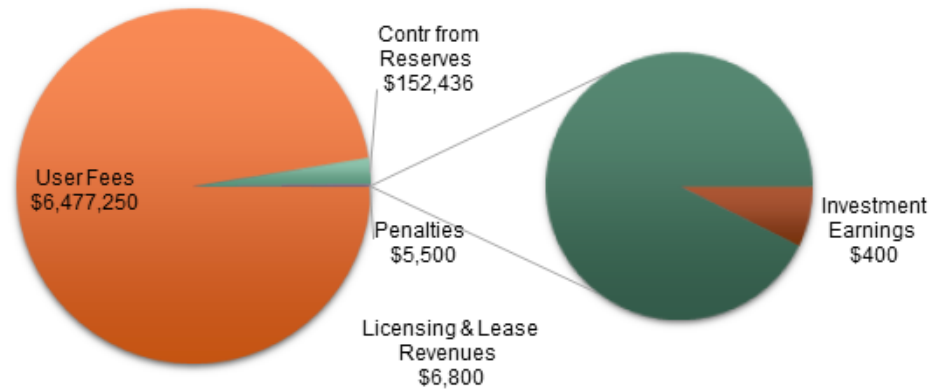


*General Government includes Ontario Municipal Partnership Fund grant revenues of \$1.97 million.

Non-Property Tax Supported Operations

Water and Wastewater Services

The operation of water and wastewater infrastructure is run by the Town of Parry Sound, however, none of the operations are funded by property taxes. Revenues are raised primarily through the user fees charged to customers for their water and wastewater services, and funding from dedicated water/wastewater reserves.



Budget Change

2020 Budget	2021 Budget	Dollar Change	Percent Change
\$6,459,533	\$6,641,986	\$182,453	2.821%

Highlights

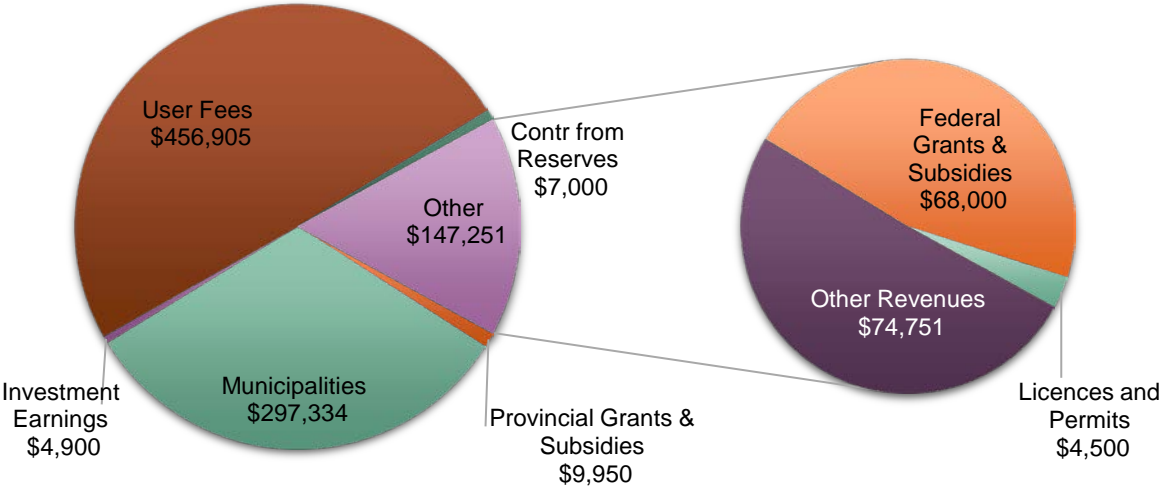
- Budget is reflective of recent water and wastewater rate study and water financial plan.

Charles W. Stockey Centre and Bobby Orr Hall of Fame

The Charles W. Stockey Centre for the Performing Arts (Stockey Centre) opened in July 2003, providing Parry Sound with an acoustically stunning location for the Festival of the Sound and the many performers who visit our beautiful Town.

The Bobby Orr Hall of Fame is an interactive hockey museum celebrating not only the sport of hockey, but the born and raised Parry Sounder, Bobby Orr. In addition, there are exhibits about other exceptional athletes with ties to Parry Sound

The Stockey Centre has many revenue streams but does rely on some municipal contributions to assist with their budget. The Town provides an annual amount to the Stockey Centre budget to help support the Arts within our community.



Budget Change

2020 Budget	2021 Budget	Dollar Change	Percent Change
\$1,381,389	\$923,340	\$458,049	-33.2%

Highlights

- Many revenues at the Stockey Centre have been lost due to covid-19 and the ongoing pandemic. Significant reductions in part-time labour, materials, and contracted services have been undertaken to mitigate the impacts.

Provincial Offences Act

The Town is the administrator for the Provincial Offences Act (POA) Court in the District of Parry Sound. While the Town includes the operating budget for POA in its budgeting process, the budget is presented to the Provincial Offences Act Advisory Committee for the Parry Sound Catchment Area, consisting of municipal representatives from municipalities within the District.

Revenue sources for the POA Court is predominantly fines, however there is some income from transcript orders.

Budget Change

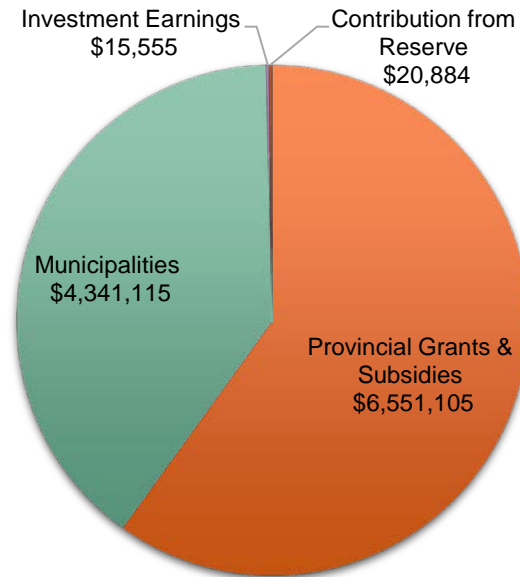
2020 Budget	2020 Budget	Dollar Change	Percent Change
\$1,020,600	\$ 789,261	\$(231,339)	-22.67%

Highlights

- There is a decline in fee revenues based on the actual fees being collected and the observed trends of ticket issuance for the area
- Ticket issuance has been impacted by covid-19 and the ongoing pandemic
- In-person court is currently on hold and changes to processes are taking place for virtual court to proceed.

Land Ambulance

The Town provides the administration of the land ambulance for the District of Parry Sound. While the Town includes the operating budget for the land ambulance in its budgeting process, the budget is established by the EMS Advisory Committee.



Budget Change

2020 Budget	2021 Budget	Dollar Change	Percent Change
\$9,483,575	\$10,928,659	\$1,445,084	15.24%

Highlights

- Increase to current contract with West Parry Sound Health Centre for Paramedicine Staff/Services - \$554,766
- 4.85% Increase to the municipal levy requirement, allocated to all municipalities based on weighted assessment
- Increase for new fully funded paramedicine program – \$904,422

Impact on the Ratepayer – Municipal Taxes

As a result of the ongoing worldwide pandemic, covid-19, the assessment update, which was intended to occur for 2021, has been deferred. As a result, there are no impacts of phase-in of increases or immediate decreases in individual assessments in 2021. MPAC's (Municipal Property Assessment Corporation) typically conducts assessment updates based on market value on a 4-year cycle.

The total weighted assessment for the Town of Parry Sound has increased 0.3% from 2020 to 2021. In the absence of any assessment updates causing phase-in or decreases, this represents the Town's assessment growth.

\$11,379,214 (2020 taxation revenues) x 0.3% = \$34,138 in taxation from assessment growth

Whereas the 2021 budget requires a total of \$11,695,293 and \$34,138 is generated from assessment growth;

Therefore, the Town needs to raise an additional \$77,115 for Town operations and \$204,826 for infrastructure for a total of \$281,941.

2021 Levy Increase

To raise the required additional \$281,941, an increase of 0.66% for operations and 1.8% for infrastructure is necessary for a total increase of 2.46% over 2021 property taxation (net growth).

Impact to the Average Taxpayer

In 2021, the average Single-Family Home in the Town of Parry Sound is assessed at \$186,000. Each home has its own individual property assessment. Therefore, for ease of conversion, the assessed value of \$100,000 is used to illustrate the impact of the taxation increase.

2020

$\$100,000 \times 0.01385485$ (2020 rate) = \$1,385.49

2021 Increase

$\$1,385.49 \times 0.0246$ (increase) = \$34.08 / 12 = \$2.84 per month

The Results

The taxpayer will pay \$34.08 more per year or \$2.84 additional per month for every \$100,000 in residential assessment.

Items for Council Consideration

Each year there are items up for consideration during the budget process. These could be items that are brought forward by a member of Council or the Public, or an item that staff is looking for Council direction on.

Comprehensive List of Items for Council Consideration ¹						
	Description	Budget Section	Operating Budget Impact	Capital Budget Impact	Change to Tax Rates	Tax Impact ²
1.	Increase contribution to the Public Library ³	Recreation & Culture	\$ 6,150	\$ Nil	0.054%	\$0.75
2.	Increase contribution to the Museum on Tower Hill ⁴	Recreation & Culture	\$ 1,674	\$ Nil	0.015%	\$0.21
3.	Tower Hill Children's Garden	Recreation & Culture	\$ 5,000	\$ Nil	0.044%	\$0.61
4.	Replace Pedestrial Bridge at Waubuno Beach	Capital Budget	\$ Nil	\$50,000	0.442%	\$6.13
5.	Remediation of Erosion on the Rotary Sunset Trail	Capital Budget	\$ Nil	\$ 20,000	0.177%	\$2.45

¹ Background information can be found in the Supplementary Information section of the budget book where applicable.

² The Tax Impact is calculated for \$100,000 of residential assessment.

³ Increase already included in proposed draft budget.

⁴ Increase already included in proposed draft budget.

Comprehensive List of Items for Council Consideration¹

	Description	Budget Section	Operating Budget Impact	Capital Budget Impact	Change to Tax Rates	Tax Impact ²
6.	Georgian Bay Forever Plastic Diversion 2.0 Seabin	Waste Management	\$ 8,200	\$ Nil	0.073%	\$1.01
7.	Grant to Park to Park Trail Increase	Recreation & Culture	\$ 14,000 ⁵	\$ Nil	0.124%	\$1.72
Grand Total			\$ 35,024	\$ 70,000	0.929%	\$12.88

Additional Information on Projects

Tower Hill Children's Garden

Description: Create new area at Tower Hill Park for exploration

Capital Cost: \$5,000

Proposed Funding: Property Taxes

Tax Rate Impact: 0.044%

Tax Impact: \$0.61 (on Residential Assessment of \$100,000)

⁵ There is a request to increase the grant to the Park to Park Trail by \$14,000 to a total of \$20,000. \$6,000 is budgeted unless Council wishes to make a change.

Waubuno Beach Pedestrian Bridge

Description:	Replace pedestrian bridge at Waubuno Beach
Capital Cost:	\$50,000
Proposed Funding:	Property Taxes
Tax Rate Impact:	0.442%
Tax Impact:	\$6.13 (on Residential Assessment of \$100,000)

Rotary Sunset Trail Remediation

Description:	Remediation of erosion on the Rotary Sunset Trail
Capital Cost:	\$20,000
Proposed Funding:	Property Taxes
Tax Rate Impact:	0.177%
Tax Impact:	\$2.45 (on Residential Assessment of \$100,000)

Georgian Bay Forever Plastic 2.0

Description:	Purchase of a Seabin
Operating Cost:	Seabin purchase for \$3,200 plus additional educational campaign costs of \$5,000
Proposed Funding:	Property Taxes
Tax Rate Impact:	0.073%
Tax Impact:	\$1.01 (on Residential Assessment of \$100,000)

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Jamie McGarvey



Roger Ruiters



Paul Borneman



Brad Horne



Vanessa Easman



Doug McCain



Bonnie Keith



TOWN OF
Parry Sound

Mayor and Council

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Mayor and Council

Overview

Parry Sound Council is the governing body of the Town, representing the residents of Parry Sound as decisions are made regarding the services provided by the Town, and the methods to fund these services.

Council consists of the Mayor and six councilors who are elected at large every four years. The current term of Council is 2019 to 2022, with the inaugural meeting held December 11, 2018.

Functions

- The Office of the Mayor
- Members of Council
- Municipal Election
- Council Administration

Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Contribution from Reserves	-	-	-\$ 4,557	-\$ 4,557	-	0.00%
Total Revenues	-	-	-\$ 4,557	-\$ 4,557	-	0.00%
Expenses						
Salaries & Benefits	\$ 187,515	\$ 190,229	\$ 178,786	\$ 184,737	\$ 5,951	3.33%
Materials - Operating Expenses	21,172	11,673	48,710	34,807	(13,903)	-28.54%
Rent and Financial Expenses	228	-	300	300	-	0.00%
Purchased/Contracted Services	25,332	8,063	6,557	9,557	3,000	45.75%
Grants - Transfer Payments	21,306	8,152	29,070	22,370	(6,700)	-23.05%
Internal Recoveries	7,366	7,509	7,509	11,853	4,344	57.85%
Contribution to Reserves	-	-	5,000	5,000	-	0.00%
Total Expenses	\$ 262,918	\$ 225,626	\$ 275,932	\$ 268,624	\$ (7,308)	-2.65%
Total Levy Requirements	\$ 262,918	\$ 225,626	\$ 271,375	\$ 264,067	\$ (7,308)	-2.69%

Budget Highlights

- **Conferences, conventions & meetings - \$12,000 ↓**
There is a reduced cost expected for conferences for the Mayor due to the ongoing pandemic and a change in how these functions are being held.
- **Grants/Transfer Payments - \$6,700 ↓**
\$5,000 has not been requested by the Chamber of Commerce for 2021.

- **Continued work on the redesign of the Town's Coat of Arms**
Work began in 2018, unspent funds are being contributed to Reserves, and will be used to fund the expenses in 2021.
- **Contribution to Reserves - \$5,000 ↑**
In non-election years there has been historically \$5,000 put towards an Elections Reserve. This allows the Town to spread the cost of an election over 4 years, rather than requiring 100% of the cost to be funded from property taxes in an election year
- **Mayor and Council Remuneration - \$5,951 ↑**
Increase is due to the annual increase to Council remuneration based on CPI from December to December (0.9%). An estimate for WSIB premiums of \$4,768 forms the majority of the increase here.



TOWN OF
PARRY SOUND
 Municipal Office
 Provincial Offences Office
 52 Seguin Street



TOWN OF
Parry Sound

General Government

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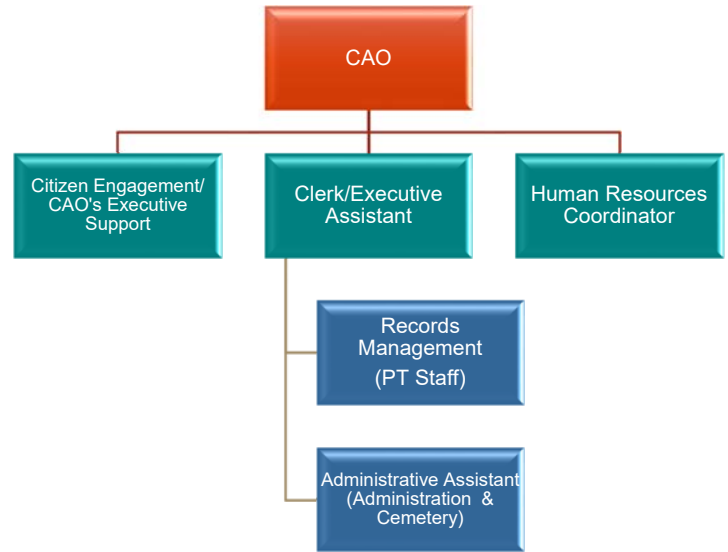
Office of the Chief Administrative Officer

Overview

The Chief Administrative Officer (CAO) oversees all Town operations and that Council's priorities, goals and objectives are set and efficiently and effectively implemented. The Office oversees the development, updating and review of Departmental Staff Goal Plans with core service delivery excellence first and foremost.

Functions

- Corporate Administrative Services
- Strategic Planning
- Intergovernmental Relations
- Secretariate Services
- Records Management
- Freedom of Information Requests
- Human Resources
- Labour Relations
- Staff Recognition and Wellness



Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Provincial Grants & Subsidies	\$ 2,011,485	\$ 2,150,085	\$ 1,976,100	\$ 1,976,100	-	0.00%
Fines	18,815	2,008	33,000	11,000	(22,000)	-66.67%
Licensing & Lease Revenues	77,986	42,712	67,720	65,801	(1,919)	-2.83%
Investment Earnings	643,439	443,594	508,545	444,020	(64,525)	-12.69%
Other Revenues	44,283	9,635	6,000	6,000	-	0.00%
Total Revenues	\$ 2,796,007	\$ 2,648,034	\$ 2,591,365	\$ 2,502,921	\$ (88,444)	-3.41%
Expenses						
Salaries & Benefits	\$ 505,902	\$ 465,691	\$ 615,211	\$ 617,200	\$ 1,989	0.32%
Materials - Operating Expenses	21,899	30,252	82,115	69,126	(12,989)	-15.82%
Purchased/Contracted Services	47,825	20,721	99,600	105,200	5,600	5.62%
Internal Recoveries	9,462	8,698	8,698	6,585	(2,113)	-24.29%
Contribution to Reserves	-	-	151,042	42,060	(108,982)	-72.15%
Total Expenses	\$ 585,088	\$ 525,363	\$ 956,666	\$ 840,171	\$ (116,495)	-12.18%
Total Levy Requirements	\$ (2,210,919)	\$ (2,122,671)	\$ (1,634,699)	\$ (1,662,750)	\$ (28,051)	-1.72%

Budget Highlights

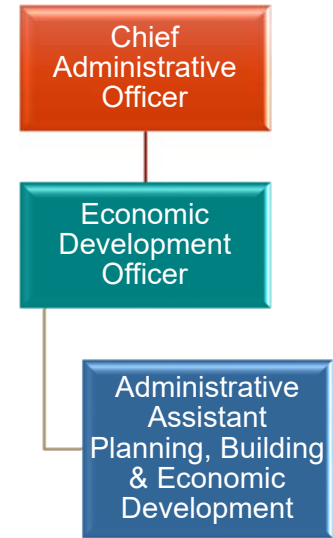
- **Town's Share of Provincial Offences Act Fines - \$22,000 ↓**
There is a continued trend of decreasing ticket issuance for the Provincial Offences Act which in turn affects the Town's portion of fine revenue.
- **Investment Earnings - \$64,525 ↓**
Investment earnings are expected to decline with decreased interest rates after the onset of the worldwide pandemic.
- **Marriage License Revenues - \$2,000 ↓**
Less people are seeking marriage licenses due to covid-19 and restrictions on in-person events.
- **Meals, Training, Conferences, and Travel - \$7,489 ↓**
In person meetings and conferences have been changed to virtual means in 2021.
- **Records Management Casual and Student - \$24,451 ↓**
Casual and student positions have been removed in 2021. Staff will aim to reallocate internal resources for continued work on the archiving and record digitization. This change has offset other estimated increases to salaries and benefits in the absence of a collective agreement.
- **Reserve Contribution - \$108,982 ↓**
\$120k dollar annual contribution to the capital asset legacy reserve fund for an LED project ended and a \$30k contribution towards the Wellness and Recreation Centre has been included.

Economic Development

Overview

The Economic Development division is focused on leveraging our location as a gateway to Northern Ontario. Strategically located 2 hours north of Toronto’s Pearson International Airport and 90 minutes south of Sudbury, the Town has much to offer.

In addition to attracting new business to Parry Sound, staff also work to continue promotion of the Town’s amenities and beautiful landscape.



Functions

- Industrial Park
- Airport Business Park
- Economic Development administration
- Liaise with the Regional Economic Development Officer
- Marketing
- Cruise Ships
- Business Attraction and Retention

Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Other Revenues	\$ 14,000	\$ 3,095	-	\$ 107,514	\$ 107,514	N/A
Contributions from Reserves			60,000		(60,000)	-100.00%
Total Revenues	\$ 14,000	\$ 3,095	\$ 60,000	\$ 107,514	\$ 47,514	79.19%
Expenses						
Salaries & Benefits	\$ 127,429	\$ 124,081	\$ 126,481	\$ 247,602	\$ 121,121	95.76%
Materials - Operating Expenses	23,994	13,858	52,150	33,950	(18,200)	-34.90%
Purchased/Contracted Services	18,387	14,455	76,277	26,963	(49,314)	-64.65%
Grants - Transfer Payments	12,500	12,500	15,000	15,000	-	0.00%
Internal Recoveries	-	-	1,309	1,752	443	33.84%
Total Expenses	\$ 182,311	\$ 164,895	\$ 271,217	\$ 325,267	\$ 54,050	19.93%
Total Levy Requirements	\$ 168,311	\$ 161,800	\$ 211,217	\$ 217,753	\$ 6,536	3.09%

Budget Highlights

- **Other Revenues - \$107,514 ↑**
Recoveries for the West Parry Sound Regional Economic Development Officer
- **Salaries & Benefits - \$121,121 ↑**
The majority of this increase relates to the West Parry Sound Regional Economic Development Officer with a small residual related to CPI increases and an estimate for an increase in the absence of a collective agreement.
- **Meals, Training, Conferences, and Travel - \$4,000 ↓**
In person meetings and conferences have been changed to virtual means in 2021.
- **Other Materials - \$13,650 ↓**
Other reductions in materials have been made for cruise supplies, advertising, and tourism marketing not incurred in 2020



TOWN OF
Parry Sound

**Development & Protection
Services**

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Emergency & Protective Services

Overview

In any community it is important to ensure that resources exist to help when an emergency occurs. Through annual levies the Town pays for 911 Service.

In the absence of a municipal or regional police service the Town contracts the local policing needs to the Ontario Provincial Police (OPP). The Ontario Provincial Police Municipal Policing Bureau is responsible for cost recovery for the provision of OPP policing services from over 320 Ontario municipalities.

Functions

- Emergency Planning
- Covid-19 pandemic supplies and expenses

Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Contribution from Reserves	\$ -	\$ 50,618		\$ 43,080	\$ 43,080	N/A
Total Revenues	\$ -	\$ 50,618	\$ 0	\$ 43,080	\$ 43,080	N/A
Expenses						
Salaries and Benefits	\$ -	\$ 14,882	\$ -	\$ -	\$ -	N/A
Materials – Operating Expenses	1,278	34,880	3,250	46,330	43,080	1325.54%
Contracted Services	-	856	-	-	-	N/A
Total Expenses	\$ 1,278	\$ 50,618	\$ 3,250	\$ 46,330	\$ 43,080	1325.54%
Total Levy Requirements	\$ 1,278	\$ -	\$ 3,250	\$ 3,250	\$ -	0.00%

Budget Highlights

- **Contribution from Reserves**
\$43,080 is planned to come from covid-19 funding reserves to go towards pandemic supplies and expenses in 2021.
- **Materials - \$43,080 ↑**
This is the budgeted amount of covid-19 pandemic supplies and expenses expected in 2021.

Fire Service

Overview

The Parry Sound Fire Department provides fire suppression and prevention, and rescue services for the Town, as well as surrounding municipalities via mutual aid and automatic aid agreements.

The volunteer firefighters not only respond to fires, but also for medical assists, automobile accidents, carbon monoxide alarms, fire alarms, and other emergency situations where their services are required. These volunteers leave their families, friends, and work to help the residents of Parry Sound.



Functions

- Fire Prevention
- Fire Administration
- Volunteer Firefighter Service

Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Other Municipalities	\$ 6,500	\$ 5,000	\$ 6,500	\$ 6,500	\$ -	0.00%
User Fees	2,988	3,036	1,250	2,250	1,000	80.00%
Licensing & Lease Revenues	1,700	2,350	1,000	1,800	800	80.00%
Investment Earnings	167	94	-	-	-	N/A
Other Revenues	-	1,500	1,000	1,000	-	0.00%
Total Revenues	\$ 11,356	\$ 11,980	\$ 9,750	\$ 11,550	\$ 1,800	18.46%
Expenses						
Salaries & Benefits	\$ 467,944	\$ 448,941	\$ 428,556	\$ 507,834	\$ 79,278	18.50%
Materials - Operating Expenses	134,768	136,099	159,648	178,124	18,476	11.57%
Energy Costs	20,740	21,873	20,000	20,400	400	2.00%
Purchased/Contracted Services	45,661	29,116	38,078	35,284	(2,794)	-7.34%
Grants – Transfer Payments	-	-	650	650	-	0.00%
Internal Recoveries	14,737	18,345	16,998	20,303	3,305	19.44%
Total Expenses	\$ 683,849	\$ 654,374	\$ 663,930	\$ 762,595	\$ 98,665	14.86%
Total Levy Requirements	\$ 672,493	\$ 642,394	\$ 654,180	\$ 751,045	\$ 96,865	14.81%

Budget Highlights

- **Salaries & Benefits - \$79,278 ↑**

The increase related to WSIB premiums expected is \$10,668. Under volunteer firefighters, there will be increased training requirements for vehicle operators and additional training in lieu of fire college opportunities totaling \$15,000. The remainder relates to CPI increase for non-union staff and estimates for staff where no collective agreement is currently in place.

- **Insurance - \$12,193 ↑**

Increasing costs of municipal insurance premiums

By-law Enforcement

Overview

The By-law Enforcement Department is responsible for the enforcement of the Town’s by-laws, operations of the municipal dog pound and parking services.

The purpose of this department is to assist with public safety, maintaining community standards and dealing with community nuisance issues.

Functions

- By-law enforcement
- Dog and cat control costs
- Impound facility
- School crossing guards
- Parking



Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Provincial Grants & Subsidies	\$ -	\$ -	\$ -	\$ 29,168	\$ 29,168	N/A
Other Municipalities	11,418	22,265	15,300	15,300	-	0.00%
Licensing & Lease Revenues	53,207	31,089	47,200	41,000	(6,200)	-13.14%
Investment Earnings	3,420	245	2,588	15	(2,573)	-99.42%
Contribution from Reserves	-	-	-	-	-	N/A
Total Revenues	\$ 68,045	\$ 53,109	\$ 65,088	\$ 85,483	\$ 20,395	31.33%
Expenses						
Salaries & Benefits	\$ 143,984	\$ 147,747	\$ 176,652	\$ 193,579	\$ 16,927	9.58%
Materials - Operating Expenses	15,201	17,587	21,907	21,144	(763)	-3.48%
Energy Costs	1,723	1,618	2,550	2,200	(350)	-13.73%
Purchased/Contracted Services	17,712	16,043	23,038	25,213	2,175	9.44%
Internal Recoveries	7,480	4,439	4,385	5,138	753	17.17%
Contribution to Reserves	-	-	2,588	15	(2,573)	-99.42%
Total Expenses	\$ 186,100	\$ 187,434	\$ 231,120	\$ 247,289	\$ 16,169	7.00%
Total Levy Requirements	\$ 118,055	\$ 134,325	\$ 166,032	\$ 161,806	\$ (4,226)	-2.55%

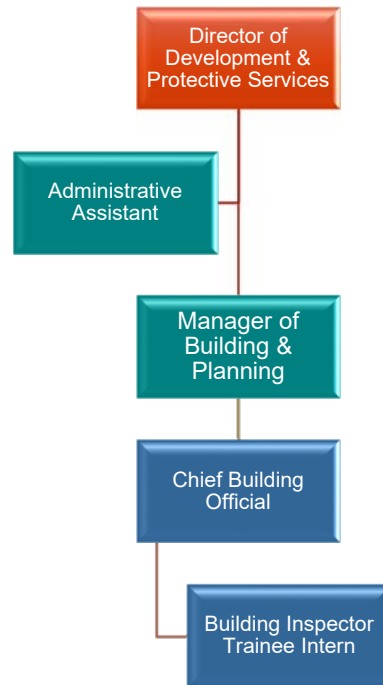
Budget Highlights

- **Provincial Grants & Subsidies - \$29,168 ↑**
This is the amount of covid-19 funding that has been allocated to the enforcement during the pandemic. In addition, it assists with a loss of parking ticket and other enforcement revenues while energies are spent with new responsibilities during covid-19

Building

Overview

The role of the Building department is threefold. First, to provide advice to the public and Council regarding the Ontario Building Code and effective building practices. Second, to administer the building permit process, inspect to ensure compliance and enforce non-compliance. Third, to provide advice on regulations for the installation of signs.



Functions

- Building permit issuance
- Adherence to the Ontario Building Code

Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
User Fees	\$ 162,774	\$ 191,815	\$ 110,000	\$ 145,000	\$ 35,000	31.82%
Total Revenues	\$ 162,774	\$ 191,815	\$ 110,000	\$ 145,000	\$ 35,000	31.82%
Expenses						
Salaries & Benefits	\$ 192,149	\$ 153,211	\$ 192,756	\$ 225,812	\$ 33,056	17.15%
Materials - Operating Expenses	8,955	12,124	21,639	27,657	6,018	27.81%
Purchased/Contracted Services	113	141	700	5,000	4,300	614.29%
Internal Recoveries	3,641	3,370	3,370	5,716	2,346	69.61%
Total Expenses	\$ 204,858	\$ 168,846	\$ 218,465	\$ 264,185	\$ 45,720	20.93%
Total Levy Requirements	\$ 42,084	-\$ 22,969	\$ 108,465	\$ 119,185	\$ 10,720	9.88%

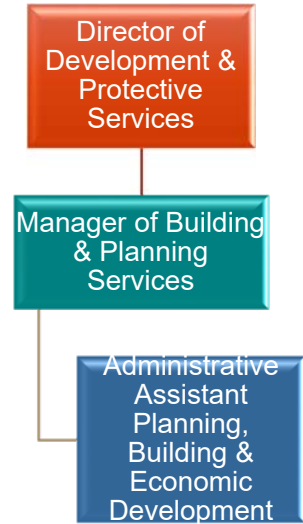
Budget Highlights

- **Building Fees - \$35,000 ↑**
Increase based on anticipated building projects in 2021, and the associated revenue due to the scale of the projects
- **Salaries & Benefits - \$33,056 ↑**
Increase related to WSIB premiums is \$4,542, \$9,868 relates to a summer student to assist in building and planning which the Town has a grant application in for, and the remainder is due to regular increases.

Planning

Overview

The focus of the planning department is to process development proposals which lead to a more vibrant and healthy community. Planning is also responsible for the Official Plan which contains policies to guide the development within the Town. It provides direction to both staff and Council when making land use decisions.



Functions

- Planning
- Committee of Adjustment
- Façade Program
- Smelter Wharf

Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
User Fees	\$ 30,767	\$ 13,341	\$ 19,500	\$ 15,000	\$ (4,500)	-23.08%
Licensing & Lease Revenues	75,000	75,000	75,000	75,000	-	0.00%
Investment Earnings	9,509	16	10,765	510	(10,255)	-95.26%
Contribution from Reserves			50,000	50,000	-	0.00%
Total Revenues	\$ 115,276	\$ 88,357	\$ 155,265	\$ 140,510	\$ 14,755	-9.50%
Expenses						
Salaries & Benefits	\$ 145,304	\$ 144,404	\$ 146,670	\$ 151,956	\$ 5,286	3.60%
Materials - Operating Expenses	9,038	12,378	16,515	11,738	(4,777)	-28.93%
Purchased/Contracted Services	46,966	31,037	87,000	88,000	1,000	1.15%
Debt Repayment	7,488	6,179	13,663	12,219	(1,444)	-10.57%
Grants - Transfer Payments	49,372	21,731	0	0	0	N/A
Internal Recoveries	2,134	2,006	2,006	3,069	1,063	52.99%
Contribution to Reserves			87,455	79,035	(8,420)	-9.63%
Total Expenses	\$ 255,647	\$ 214,243	\$ 348,654	\$ 341,362	\$ (7,292)	-2.09%
Total Levy Requirements	\$ 140,371	\$ 125,886	\$ 193,389	\$ 200,852	\$ 7,463	3.86%

Budget Highlights

- **Development Charges Study - \$50,000** ↓↑
In 2018 there was \$50,000 for a Development Charges study identified. The study has been deferred to 2021, and will be funded by the Lot Levy and Development Charges Reserve Funds
- **Façade Improvement Program - \$40,000** ↓↑
The Façade Improvement Program provides 50/50 cost sharing for commercial façade improvement. The grant program is open to owners of commercial buildings or business owners (tenants). The funds are transferred to a reserve where Council will authorize grants to be paid from.

- **Salaries & Benefits - \$3,027 ↑**

This is the amount of the increase due to WSIB premiums being factored in to accommodate a change from Schedule 2 to Schedule 1. The remainder is the annual CPI increase for non-unionized staff.

Development

Overview

This division focuses on waterfront development and the management of the Town Dock and Big Sound Marina.

Functions

- Big Sound Marina
- Town Dock
- Waterfront development/remediation

Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
User Fees	\$ 5,100	\$ 15,708	\$ 19,500	\$ 19,500	\$ -	0.00%
Licensing & Lease Revenues	5,739	2,955	-	-	-	N/A
Total Revenues	\$ 10,839	\$ 18,663	\$ 19,500	\$ 19,500	\$ -	0.00%
Expenses						
Salaries & Benefits	\$ 715	\$ 303	\$ -	\$ -	\$ -	N/A
Materials - Operating Expenses	22,413	16,886	31,084	42,057	10,973	35.30%
Energy Costs	60,305	63,571	41,800	63,000	21,200	50.72%
Purchased/Contracted Services	366	-	15,000	22,000	7,000	46.67%
Debt Repayment	3,417	3,097	3,250	3,059	(191)	-5.88%
Grants - Transfer Payments	69,189	69,516	-	-	-	N/A
Internal Recoveries	78	-	376	-	(376)	-100.00%
Contribution to Reserves	-	-	-	103,200	103,200	N/A
Total Expenses	\$ 156,483	\$ 153,374	\$ 91,510	\$ 233,316	\$ 141,806	154.96%
Total Levy Requirements	\$ 145,643	\$ 134,711	\$ 72,010	\$ 213,816	\$ 141,806	196.93%

Budget Highlights

- **Big Sound Marina Insurance - \$16,200 ↑**
Additional wharfingers insurance was required and purchased for 2021 to cover risks in this area.
- **Contribution to Reserves - \$103,200 ↑**
Repayment of temporary borrowing from the Town's capital asset legacy reserve fund towards the funding of Dock C.



TOWN OF

Parry Sound



Public Works & Recreation

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Transportation Operations

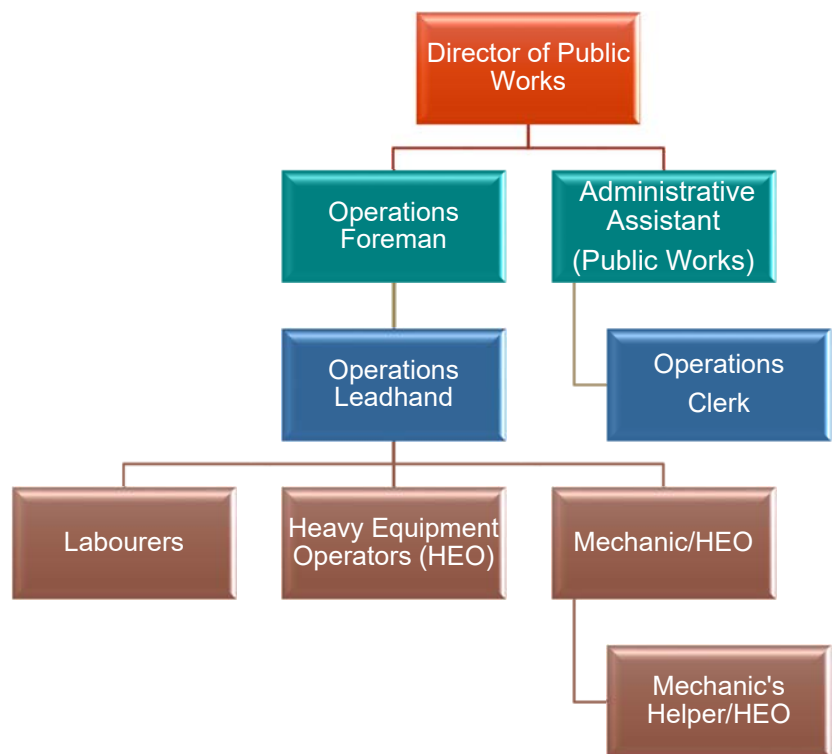
Overview

Operations is responsible for the maintenance of roads, sidewalks and boulevards, which includes grass cutting, traffic lights, streetlights, and signs.

Included within the department is a Mechanic and a Mechanic's helper who work hard to keep the Town's machinery operational and minimize any downtime.

Functions

- Operations Administration
- Public Works Administration
- Equipment and Vehicle Expenses
- Sidewalk Maintenance
- Road Maintenance (includes street sweeping, pavement markings, gravel and asphalt)
- Traffic signs
- Traffic signals
- Street Lighting



Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Federal Grants & Subsidies	\$ 403,196	\$ 388,789	\$ -	\$ -	\$ -	N/A
Provincial Grants & Subsidies	1,328,202	804,146	-	-	-	N/A
User Fees	3,694	2,954	3,000	3,000	-	0.00%
Investment Earnings	-	752	1,062	755	(307)	-28.91%
Contribution from Reserves	-	-	60,000	-	(60,000)	-100.00%
Total Revenues	\$ 1,735,092	\$ 1,196,641	\$ 64,062	\$ 3,755	\$ (60,307)	-94.14%

Expenses						
Salaries & Benefits	\$ 754,447	\$ 730,378	\$ 1,020,019	\$ 1,036,962	\$ 16,943	1.66%
Materials - Operating Expenses	319,782	277,582	455,299	444,975	(10,324)	-2.27%
Energy Costs	124,684	117,927	146,900	147,900	1,000	0.68%
Rent and Financial Expenses	2,712	1,186	2,400	2,400	0	0.00%
Purchased/Contracted Services	276,060	122,699	510,200	389,700	(120,500)	-23.62%
Debt Repayment	166,621	51,427	110,416	107,509	(2,907)	-2.63%
Internal Recoveries	(317,906)	(308,182)	(292,336)	(345,961)	(53,625)	18.34%
Contributions to Reserve			19,979		(19,979)	-100.00%
Total Expenses	\$ 1,326,401	\$ 993,018	\$ 1,972,877	\$ 1,783,485	\$ (189,392)	-9.60%
Total Levy Requirements	(\$ 408,692)	(\$ 203,624)	\$ 1,908,815	\$ 1,779,730	\$ (129,085)	-6.76%

Budget Highlights

- **Insurance Premium Costs - \$15,743 ↑**
Rising municipal insurance premium impact on transportation operations
- **Gravel Surface Maintenance - \$8,000 ↓**
These costs are not anticipated due to historical cost analysis.
- **Bridge Needs Study (Contracted Services/Contribution from Reserves) - \$60,000 ↓**
Completed this study and not required until 2022.
- **Salaries & Benefits - \$14,140 ↑**
Increasing costs due to change from Schedule 2 to Schedule 1 employer to reduce exposure
- **Contracted Services - \$60,500 ↓**
Decreased contracted services costs due to increased internal process efficiencies.

Winter Control

Overview

Operations staff work very hard to keep our roads and sidewalks safe for drivers and pedestrians. Staff monitor the roads and determine the course of action based on:

Class: Established based on speed limit and average daily traffic

Condition: E.g. Bare & dry, bare & wet, track bare, centre bare, snow covered, snow packed

Winter Event Occurring: E.g. Snow accumulation, drifting snow, ice covered, spot ice, black ice, frost, slush

Functions

- Sidewalk salting, sanding and snow removal
- Street salting, sanding and snow removal

Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Expenses						
Salaries & Benefits	\$ 246,581	\$ 164,867	\$ 259,661	\$ 267,939	\$ 8,278	3.19%
Materials - Operating Expenses	251,266	197,269	197,840	197,840	0	0.00%
Purchased/Contracted Services	179,771	75,095	165,000	137,500	(27,500)	-16.67%
Internal Recoveries	235,752	166,113	177,924	175,902	(2,022)	-1.14%
Total Expenses	\$ 913,371	\$ 603,344	\$ 800,425	\$ 779,181	\$ (21,244)	-2.65%
Total Levy Requirements	\$ 913,371	\$ 603,344	\$ 800,425	\$ 779,181	\$ (21,244)	-2.65%

Budget Highlights

- **Salaries & Benefits - \$8,278 ↑**
\$5,026 relates to the increase for WSIB premiums for a change from a Schedule 2 to a Schedule 1 employer. The remainder relates to CPI increases and an estimate for unionized staff with no collective agreement finalized.
- **Contracted Services - \$27,500 ↓**
Decreased contracted services costs as less is being outsourced for snow removal as a result of optimizing internal resources.

Storm Water Control

Overview

Culverts, ditches and gutters help to direct storm water and spring water run-off away from our roads and properties and into the catch basins. Sometimes these outlets will get plugged with debris such as dirt and leaves. Staff routinely check and clean them out especially before spring run-off occurs or before a predicted rain event.

The storm water control budget includes:

- Culvert maintenance
- Ditch maintenance
- Storm sewer maintenance

Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Expenses						
Salaries & Benefits	\$ 115,612	\$ 119,219	\$ 101,883	\$ 101,021	\$ (862)	-0.85%
Materials - Operating Expenses	11,040	13,238	46,000	46,000	-	0.00%
Purchased/Contracted Services	30,609	24,115	63,000	40,000	(23,000)	-36.51%
Debt Repayment	3,865	2,412	3,659	3,325	(334)	-9.13%
Internal Recoveries	78,008	149,784	92,813	149,777	56,964	61.38%
Total Expenses	\$ 239,133	\$ 308,768	\$ 307,355	\$ 340,123	\$ 32,768	10.66%
Total Levy Requirements	\$ 239,133	\$ 308,768	\$ 307,355	\$ 340,123	\$ 32,768	10.66%

Budget Highlights

- **Internal Recoveries - \$56,694 ↑**
Based upon historical costs, more internal equipment hours have been spent in this area which has in turn reduced contracted services costs
- **Contracted Services - \$23,000 ↓**
Less being contracted out in this service area due to more internal hours allocated to storm management instead of outsourcing

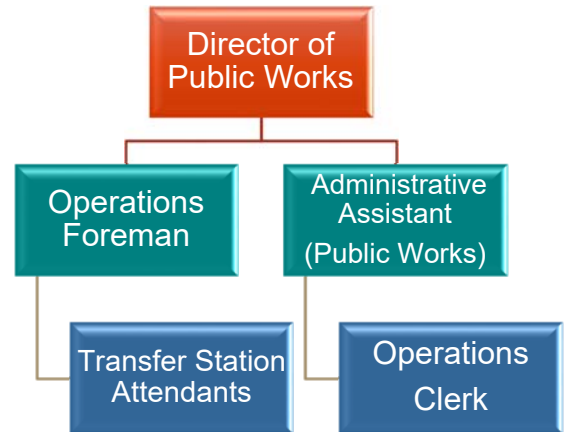
Waste Management

Overview

The Town does not operate a public dump or landfill, instead operations staff operate the Town’s transfer station.

Staff collect items such as cardboard, electronic waste, household hazardous waste and recyclables (cans, glass, and plastics)

Operations staff also pick up the litter out of the public garbage bins throughout Town, as well as leaf, tree and pumpkin pickup.



Functions

- Waste Management
- MacFarlane Transfer Site
- MacFarlane Site Closure
- Town Recycling Program
- Waste Collection (including leaf, tree, pumpkin and litter pick up)

Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Provincial Grants & Subsidies	\$ 65,154	\$ 56,053	\$ 44,900	\$ 44,900	\$ -	0.00%
Other Municipalities	17,550	14,981	17,290	17,290	-	0.00%
User Fees	53,951	27,157	33,000	33,000	-	0.00%
Total Revenues	\$ 136,655	\$ 98,191	\$ 95,190	\$ 95,190	\$ -	0.00%
Expenses						
Salaries & Benefits	\$ 274,901	\$ 267,214	\$ 265,018	\$ 275,172	\$ 10,154	3.83%
Materials - Operating Expenses	13,403	11,506	31,550	24,050	(7,500)	-23.77%
Energy Costs	2,227	2,610	3,500	3,500	-	0.00%
Rent and Financial Expenses	10,385	9,103	25,000	18,000	(7,000)	-28.00%
Purchased/Contracted Services	743,107	723,941	703,130	701,000	(2,130)	-0.30%
Internal Recoveries	(87,989)	(79,924)	(50,638)	(44,045)	6,593	-13.02%
Total Expenses	\$ 956,034	\$ 934,451	\$ 977,560	\$ 977,677	\$ 117	0.01%
Total Levy Requirements	\$ 819,379	\$ 836,260	\$ 882,370	\$ 882,487	\$ 117	0.01%

Budget Highlights

- **Salaries & Benefits - \$10,154 ↑**
\$5,026 relates to increasing costs associated with WSIB premiums and the remainder is due to annual CPI increase and estimates without a collective agreement in place.
- **Repairs and Maintenance - \$5,000 ↓**
Less required for repairs and maintenance based on historical costs with bin ownership and compaction.
- **Equipment Rentals - \$7,000 ↓**
Less required for equipment rentals based on historical costs with bin ownership and compaction.

Information Technology

Overview

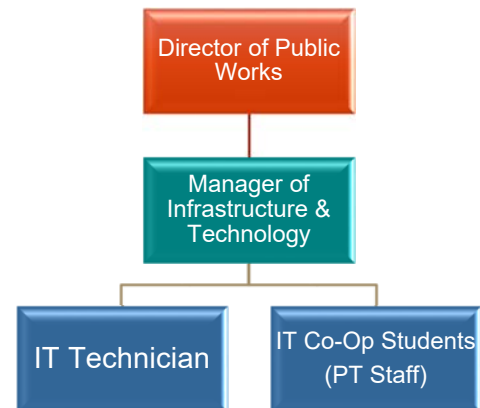
Information Technology is integral to the Town's operations. Yearly, it's dependency, value and reliance grows. The Town is continually reviewing it's utilization of technology to streamline business processes and improve efficiency, communication, and resilience.

The Town's IT staff continue to focus on improving the Town's cybersecurity posture, i.e. measure of an organization's overall cybersecurity strength. Using new technology and solutions staff are working to mitigate the Town's cyber risk.

The Town has also been working on its Geographic Information Systems (GIS), improving the mapping available to our staff and accuracy in tracking our infrastructure.

The information technology budget includes:

- Corporate Digital Information System
- Software licenses
- IT Support



Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Contribution from Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Expenses						
Salaries & Benefits	\$ 217,831	\$ 189,355	\$ 215,570	\$ 227,068	\$ 11,498	5.33%
Materials - Operating Expenses	80,308	47,909	107,750	114,250	6,500	6.03%
Purchased/Contracted Services	41,298	96,897	80,400	127,900	47,500	59.08%
Internal Recoveries	(100,798)	(92,780)	(92,837)	(123,743)	(30,906)	33.29%
Contribution to Reserves			55,000	60,000	5,000	9.09%
Total Expenses	\$ 238,639	\$ 241,382	\$ 365,883	\$ 405,475	\$ 39,592	10.82%
Total Levy Requirements	\$ 238,639	\$ 241,382	\$ 365,883	\$ 405,475	\$ 39,592	10.82%

Budget Highlights

- **Internal Recoveries – \$30,906 ↑**
A calculation of the direct costs of it support has been completed and a revised allocation out to departments based on the number of devices updated. The result is a more accurate reflection of internal support required.
- **GIS Strategy - \$10,500 ↑**
Town’s contribution towards the third-party study (Modernization grant * subject to approval) offered through the Minister of Municipal Affairs and Housing.
- **IT Reserve Contribution - 5,000 ↑**
Increase to the annual contribution for surveillance as demands grow in the organization
- **Additional Firewall Improvements – 12,000↑**
With rising threats of cyber security, the Town is consistently managing and protecting data to provide additional layers of security
- **Salaries & Benefits - \$11,498 ↑**
\$4,587 relates to WSIB premiums from a change of Schedule 2 employer to Schedule 1. The remainder rates to increases as per CPI for non-unionized staff plus an increased amount for overtime of \$2,000 which can be required due to the time of technology issues.

Municipal Office

Overview

This division manages the maintenance and operating costs of the Town Office facility.

Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Contribution from Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Expenses						
Salaries & Benefits	\$ 1,070	\$ 499	\$ 3,000	\$ 550	\$ (2,450)	-81.67%
Materials - Operating Expenses	25,095	19,227	29,698	27,013	(2,685)	-9.04%
Energy Costs	23,675	22,761	29,029	29,610	581	2.00%
Purchased/Contracted Services	37,632	27,991	37,395	41,703	4,308	11.52%
Debt Repayment	126,870	87,372	124,372	119,996	(4,376)	-3.52%
Internal Recoveries	167	29	205	29	(176)	-85.85%
Total Expenses	\$ 214,508	\$ 157,879	\$ 223,699	\$ 218,901	\$ (4,798)	-2.14%
Total Levy Requirements	\$ 214,508	\$ 157,879	\$ 223,699	\$ 218,901	\$ (4,798)	-2.14%

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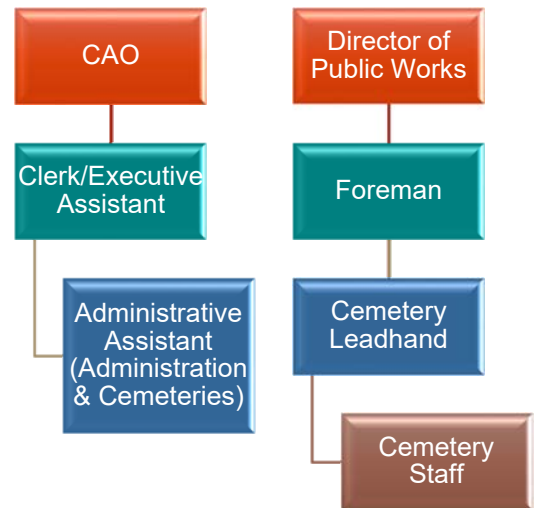
Cemeteries

Overview

The Town owns and operates 2 cemeteries, Hillcrest Cemetery (est.1871) and Sylvan Acres Cemetery (est. 1971). The operation is a joint effort between the Office of the CAO and Public Works.

Public Works staff are present at the cemeteries from the spring through to fall. Their focus is maintenance of the grounds, as well as any interments that are required.

The Cemetery’s Administrative Assistant provides the public with information regarding interments, monuments, columbaria, lot decorations and interment rights. This staff member also maintains the Vital Statics for the Town which includes working with local funeral homes to ensure appropriate filing of death certificates.



Functions

- Cemetery administration
- Maintenance of vehicles and equipment dedicated to the cemeteries
- Hillcrest Cemetery operating costs
- Sylvan Acres Cemetery operating costs

Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
User Fees	\$ 35,932	\$ 48,097	\$ 49,500	\$ 49,500	\$ 0	0.00%
Investment Earnings	-6,590		3,300	2,514	(786)	-23.82%
Total Revenues	\$ 42,522	\$ 48,097	\$ 52,800	\$ 52,014	\$(786)	-1.49%
Expenses						
Salaries & Benefits	\$ 122,333	\$ 141,119	\$ 116,263	\$ 107,138	-\$ 9,125	-7.85%
Materials - Operating Expenses	34,453	18,715	44,596	46,682	2,086	4.68%
Energy Costs	19,898	18,202	20,100	20,100	0	0.00%
Purchased/Contracted Services	1,300	7,695	6,100	9,600	3,500	57.38%
Internal Recoveries	1,783	5,481	281	5,471	5,190	1846.98%
Contribution to Reserves			5,500	5,500	0	0.00%
Total Expenses	\$ 179,768	\$ 191,212	\$ 192,840	\$ 194,491	\$ 1,651	0.86%
Total Levy Requirements	\$ 137,245	\$ 143,115	\$ 140,040	\$ 142,477	\$ 2,437	1.74%

Budget Highlights

- **Salaries & Benefits - \$13,070↓**

Reduction due to the elimination of summer students in this area. An offsetting increase is due to costs of WSIB premiums and estimated increase based on CPI.

Bobby Orr Community Centre

Overview

The Town operates the Bobby Orr Community Centre (BOCC), a fully accessible building boasting an ice surface, a hall and meeting room.

The facility is a hub of on ice activity from September to April. In the off season, the ice surface hosts recreational programming, tradeshow and rental functions.

Functions

- Arena operating costs
- Ice surface, halls & meeting rooms



Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Provincial Grants and Subsidies	\$ -	\$ -	\$ -	\$ 59,840	\$ 59,840	N/A
User Fees	21,428	15,302	21,500	20,700	(800)	-3.72%
Licensing & Lease Revenues	166,584	98,670	142,900	83,860	(59,040)	-41.32%
Total Revenues	\$ 188,012	\$ 113,972	\$ 164,400	\$ 164,400	\$ -	0.00%
Expenses						
Salaries & Benefits	\$ 248,653	\$ 241,393	\$ 228,224	\$ 239,068	\$ 10,844	4.75%
Materials - Operating Expenses	83,930	87,721	101,829	106,134	4,305	4.23%
Rent and Financial Expenses	1,318	916	1,500	1,500	-	0.00%
Energy Costs	134,847	134,459	113,000	124,000	11,000	9.73%
Purchased/Contracted Services	48,091	44,439	54,500	46,500	(8,000)	-14.68%
Debt Repayment	62,059	63,321	99,398	94,210	(5,188)	-5.22%
Internal Recoveries	3,338	1,578	1,719	3,227	1,508	87.73%
Total Expenses	\$ 582,236	\$ 573,826	\$ 600,170	\$ 614,639	\$ 14,469	2.41%
Total Levy Requirements	\$ 394,224	\$ 459,854	\$ 435,770	\$ 450,239	\$ 14,469	3.32%

Budget Highlights

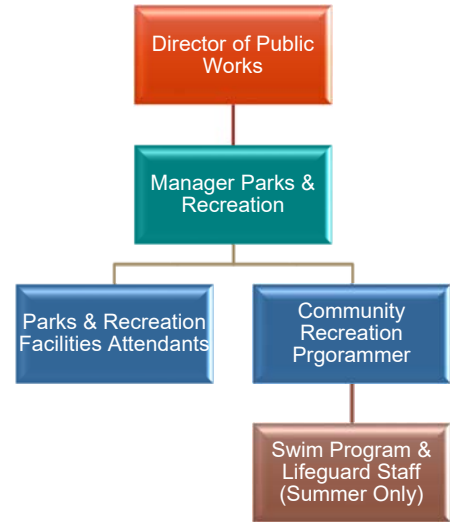
- **Provincial Grants and Subsidies - \$59,840 ↑**
Covid-19 funding from the province is allocated to offset the loss in revenues due to changes in restrictions and guidelines for facility rentals and user fees
- **Bobby Orr Community Centre Utilities - \$11,000 ↑**
Increase based on review of historical actuals
- **Elevator Servicing Costs - \$8,000 ↓**
Decrease based on review of historical actuals
- **Salaries & Benefits - \$10,844 ↑**
\$4,323 relates to increasing costs associated with WSIB premiums and the remainder is due to annual CPI increase and estimates without a collective agreement in place.

Parks and Recreation

Overview

The Town of Parry Sound prides itself on providing first rate community amenities, supported by the Parks and Recreation division. The Town proudly boasts of its trails, park systems and activities for the whole family.

The Town has a variety of parks which include off-leash dog areas, various playgrounds, ball diamonds, soccer pitch and outdoor rink.



Functions

- Recreation administration
- Parks
- Vehicles and equipment dedicated to Parks
- Skateboard Park
- Recreation programs
- Special events such as the Soap Box Derby, Snowfest and Canada Day celebration

Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Provincial Grants & Subsidies	\$ -	\$ 28,058	\$ 50,000	\$ 59,000	\$ 9,000	18.00%
Federal Grants & Subsidies	5,000	-	-	-	0	N/A
User Fees	26,863	2,054	21,500	12,500	(9,000)	-41.86%
Investment Earnings	39	22	821	48	(773)	-94.15%
Licensing & Lease Revenues	9,105	-	12,000	12,000	0	0.00%
Other Revenues	15,363	13,773	12,000	12,000	0	0.00%
Total Revenues	\$ 56,370	\$ 43,908	\$ 96,321	\$ 95,548	\$ (773)	-0.80%
Expenses						
Salaries & Benefits	\$ 500,376	\$ 423,903	\$ 606,308	\$ 636,522	\$ 30,214	4.98%
Materials - Operating Expenses	215,206	182,328	197,483	178,679	(18,804)	-9.52%
Energy Costs	48,624	49,036	46,600	46,650	50	0.11%
Rent and Financial Expenses	4,626	2,536	8,400	8,300	(100)	-1.19%
Purchased/Contracted Services	55,612	38,935	122,500	122,100	(400)	-0.33%
Grants - Transfer Payments	10,680	-	19,000	18,500	(500)	-2.63%
Internal Recoveries	3,889	(4,262)	7,656	(3,374)	(11,030)	-144.07%
Contribution to Reserves	-	-	821	48	(773)	-94.15%

Total Expenses	\$ 839,012	\$ 692,476	\$ 1,008,768	\$ 1,007,425	\$ (1,343)	-0.13%
Total Levy Requirements	\$ 782,642	\$ 648,568	\$ 912,447	\$ 911,877	\$ (570)	-0.06%

Budget Highlights

- Provincial Grants and Subsidies - \$9,000 ↑**
 Covid-19 funding from the province is allocated to offset the loss in programming revenues due to changes in restrictions and guidelines
- Insurance - \$3,634 ↑**
 Rising costs of municipal insurance premiums
- Tree Replacement Program/Materials - \$20,000 ↓**
 This program was previously budgeted in 2020 but has been transferred to the capital budget for 2021
- Salaries & Benefits - \$30,214 ↑**
 The cost for WSIB premiums associated with the change from a Schedule 1 to Schedule 2 employer are \$12,225. The remainder of the difference relates to CPI increases for non-unionized staff and an estimate related to unionized staff in the absence of an agreement.
- Lifesaving Society Facility Audit - \$5,500 ↑**
 Fee to conduct safety audit of waterfront facilities. The audit is in the best interest of the Town for risk management and legal liability considerations.



TOWN OF
Parry Sound



Finance

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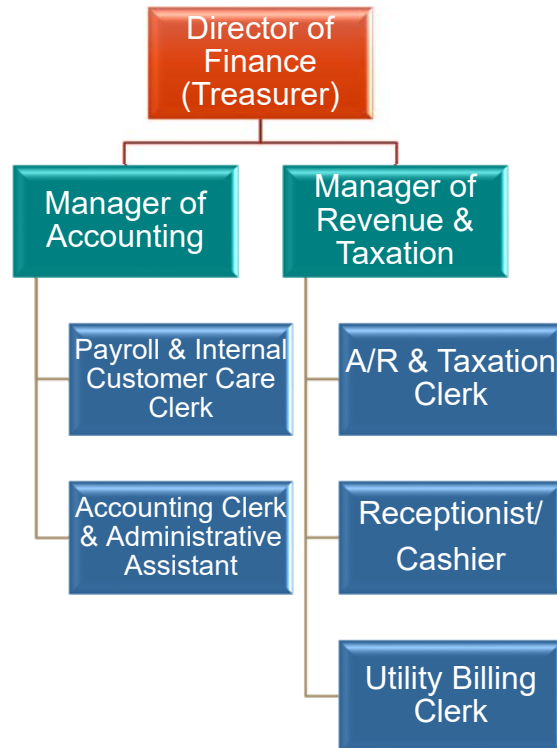
Finance

Overview

The Town’s Finance department provides financial control, planning and bookkeeping services for the corporation. The department is responsible for the collection of revenue, as well as the payment to vendors, suppliers and staff.

Functions

- Financial services to the organization
- Cost recoveries from other departments for services provided
- Financial expenses, such as the Town’s share of tax write-offs and rebates
- Municipal Office expenses



Operating Budget Details


	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Federal Grants & Subsidies	\$ -	\$ -	\$ -	\$ 50,000	\$50,000	N/A
User Fees	13,892	12,883	17,400	12,000	5,400	-31.03%
Penalties & Interest	167,507	161,870	126,000	140,000	14,000	11.11%
Levies	481,255	618,613	451,215	491,850	40,635	9.01%
Contributions from Reserves	-	-	-	75,800	75,800	N/A
Total Revenues	\$ 662,653	\$ 793,366	\$ 594,615	\$ 719,650	\$ 175,035	29.44%
Expenses						
Salaries & Benefits	\$ 626,245	\$ 628,426	\$ 705,429	\$ 761,630	\$ 56,201	7.97%
Materials - Operating Expenses	141,494	161,685	209,165	235,310	26,145	12.50%
Rent and Financial Expenses	58,788	367,943	174,040	97,240	(76,800)	-44.13%
Purchased/Contracted Services	29,763	67,705	99,680	186,280	86,600	86.88%
Internal Recoveries	(329,471)	(344,193)	(339,779)	(339,717)	62	-0.02%
Total Expenses	\$ 526,818	\$ 881,566	\$ 848,535	\$ 940,743	\$ 92,208	10.87%
Total Levy Requirements	\$ (135,835)	\$ 88,200	\$ 253,920	\$ 171,093	\$ (82,827)	-32.62%

Budget Highlights

- **Federation of Canadian Municipalities Grant - \$50,000 ↑**
The Town has been approved for funding for phase 2 of the asset management plan action plan.
- **Contribution from Infrastructure Replacement Reserve - \$75,800 ↑**
This transfer is to cover phase 2 and 3 of the development of the Town's Asset Management Plan as per the action plan provided in June 2020 minus \$50,000 which is covered through an Federation of Canadian Municipalities grant for asset management.
- **Asset Management Plan Costs - \$125,800 ↑**
Phase 2 and 3 of the asset management plan completion total cost
- **Insurance - \$20,752 ↑**
Increases to 2021 Insurance premiums.
- **Town's Share of Tax Write-Offs - \$110,000 ↓**
Less taxation write offs are expected for 2021 with no substantial outstanding appeals.



TOWN OF



Parry Sound

**External Levies, Boards &
District Services**

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External Levies/Boards/District Services

Overview

Public Library

The Parry Sound Public Library is a municipal board of the Town of Parry Sound and is run by a 9-member Board. They aim to provide the area with a comprehensive and efficient public library service.

Membership at the library is free of charge to the residents of Parry Sound, and contracting municipalities (Carling, McDougall, and the Archipelago). Memberships can be purchased by non-residents for a fee.

The Town supports the Parry Sound Public Library via an annual contribution towards the operating expenses.

Museum

The West Parry Sound District Museum (aka Museum on Tower Hill) began as a group of dedicated citizens. This grew into a museum focused on the preservation and interpretation of the core cultural themes that shaped the West Parry Sound District throughout history.

The Town supports the West Parry Sound District Museum via an annual contribution towards the operating expenses.

Home for the Aged

The Town supports via a levy Belvedere Heights Home for the Aged, a long-term care facility located on Belvedere Ave, overlooking beautiful Georgian Bay.

The facility is operated and maintained by a Board of Management for the District of Parry Sound in cooperation with the Province of Ontario Ministry of Health.

The levy is provided by Belvedere Heights and is set by their Board of Management. It is a required payment of the Town.

Seniors Assistance

The Town budgets an amount for donations/support to other organizations specifically geared towards seniors.

Annually there is a contribution to the Parry Sound Seniors Club, a community centre geared to older adults.

Health Unit

The Town of Parry Sound is serviced by the North Bay Parry Sound District Health Unit. The Health Unit is one of 35 public health units in Ontario, whose mission is to foster healthy living within the communities by preventing illness, promoting healthy choices and providing trusted support and information.

The Health Unit's main office is in the City of North Bay, with two branch offices. One office is in the Town of Parry Sound, while the other is in Burk's Falls.

Annually the Health Unit provides the Town with their municipal levy.

Charles W. Stockey Centre – Town Contribution

Generally, the Town strives to operate the Centre as a self-sustaining business unit.

The Town contributes an annual amount to support the Stockey Centre. The operations seek municipal contributions to assist with the funding but have traditionally been met with resistance with only one other contributing municipality.

Land Ambulance – Town Contribution

Annually the portion of revenue to be raised from other municipalities is distributed based on weighted assessment.

Annually the Town is provided with their municipal levy.

The Planning Board

The Parry Sound Area Planning Board provides services to:

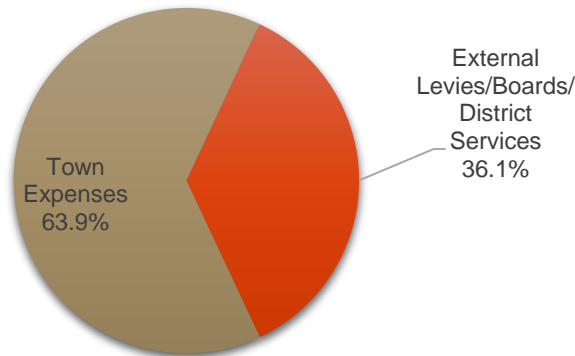
- Town of Parry Sound
- Carling Township
- Municipality of McDougall
- McKellar Township
- Municipality of Whitestone

The Board consists of 10 members, 2 representatives from each participating municipality.

In 1983 provincial legislation combined Parry Sound's Planning Board with other municipal planning boards to create the Parry Sound Area Planning Board. The Parry Sound Area Planning Board provides advice and assistance in respect of such planning matters affecting the planning area that are referred to the board.

Annually the Town provides 1/5 of the total municipal levies identified by the Planning Board's annual budget. Historically this amount has been \$35,000.

Portion of Tax Supported Operating Expenses



Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Provincial Grants and Subsidies	\$ -	\$ 26,001	\$ 105,000	\$ -	\$ 105,000	-100.00%
Contribution from Reserves or Reserve Funds	-	-	-	105,000	105,000	N/A
Total Expenses	\$ -	\$ 26,001	\$ 105,000	\$ 105,000	\$ 0	0.00%
Expenses						
Health Unit	\$ 169,083	\$ 178,089	\$ 193,685	\$ 178,090	\$ (15,595)	-8.05%
Town Contribution – Land						
Ambulance	247,335	278,654	254,755	263,794	9,039	3.55%
Home for the Aged	135,035	134,342	135,035	120,284	(14,751)	-10.92%
Seniors	5,000	5,000	5,000	5,000	-	0.00%
DSSAB	320,860	237,990	317,319	318,150	831	0.26%
Library	197,160	205,000	205,000	211,150	6,150	3.00%
Museum	31,800	33,076	33,076	34,750	1,674	5.06%
Town Contribution - Stockey	-	-	297,333	297,333	-	0.00%
OPP	1,323,562	1,516,161	2,088,667	2,154,974	66,307	3.17%
Airport	10,200	10,000	13,100	12,100	(1,000)	-7.63%
The Planning Board	7,000	7,000	7,000	7,000	-	0.00%
911 Levy	3,540	-	3,600	3,600	-	0.00%
MPAC Property Assess Levy	93,292	93,178	93,179	93,127	(52)	-0.06%
Contribution to Reserves	-	-	29,514	-	(29,514)	-100.00%
Total Expenses	\$ 2,543,867	\$ 2,698,490	\$ 3,676,263	\$ 3,699,352	\$ 23,089	0.63%
Total Levy Requirements	\$ 2,543,867	\$ 2,672,489	\$ 3,571,263	\$ 3,594,352	\$ 23,089	0.65%

Budget Highlights

- **OPP Service Costs - \$66,307 ↑**

The OPP levy is expected to increase for 2021 and no information has been provided on the continuation of the Prisoner Transportation Grant for 2021.

- **Contribution from Reserve - \$105,000 ↑**

This transfer from the police cost stabilization reserve will cover the cost of the Prisoner Transportation Grant since the Town has not heard on the continuation of this program.



TOWN OF

Parry Sound



Non-Tax Supported

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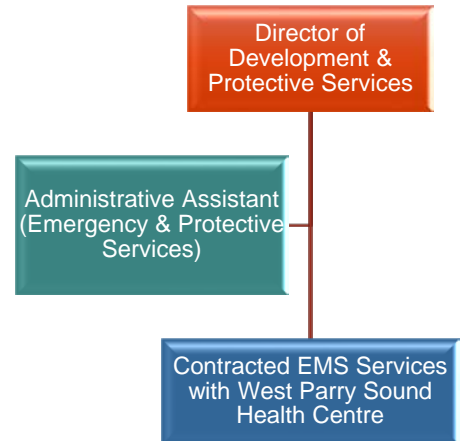
Land Ambulance

Overview

The Town manages the land ambulance service for the District of Parry Sound.

Funding for the service is shared with the Province of Ontario, First Nations, unorganized municipalities and 22 organized municipalities within the District.

The West Parry Sound Health Centre is contracted to provide the trained personnel who respond to calls every day.



Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Provincial Grants & Subsidies	\$ 5,106,103	\$ 5,472,346	\$ 5,309,559	\$ 6,551,105	\$ 1,241,546	23.38%
Other Municipalities	4,019,718	4,590,310	4,140,310	4,341,115	200,805	4.85%
Investment Earnings	41,697	15,554	33,706	15,555	(18,151)	-53.85%
Contribution from Reserves				20,884	20,884	N/A
Total Revenues	\$ 9,167,518	\$ 10,078,210	\$ 9,483,575	\$ 10,928,659	\$ 1,445,084	15.24%
Expenses						
Salaries & Benefits	\$ 202,665	\$ 430,056	\$ 194,168	\$ 209,622	\$ 15,454	7.96%
Materials - Operating Expenses	102,575	105,395	126,092	304,649	178,557	141.61%
Rent and Financial Expenses	66,822	70,312	82,000	168,400	86,400	105.37%
Purchased/Contracted Services	8,538,269	8,920,323	8,560,228	9,738,148	1,177,920	13.76%
Internal Recoveries	1,030	1,773	1,773	2,107	334	18.84%
Contribution to Reserves	422,643	519,064	519,314	505,733	(13,581)	-2.62%
Total Expenses	\$ 9,334,004	\$ 10,046,922	\$ 9,483,575	\$ 10,928,659	\$ 1,445,084	15.24%
Net Budget	(\$ 166,486)	\$ 31,288	-	-	-	N/A

Budget Highlights

- Community Paramedicine Long-Term Care Grant - \$904,422 ↑**
 Community Paramedicine for Long-Term Care (CPLTC) is 100% funded by the Ministry of Long-Term Care and provides approximately \$900,000 per year for 3 years for Parry Sound District EMS to assist with non-emergency care of seniors who are waitlisted for a Long-Term

Care bed throughout the District. This is a pilot program attempting to determine the benefit, both financial and social, of keeping seniors in their homes in the community longer.

- **Contribution from Reserve - \$20,884 ↑**
Increasing costs of insurance for ambulatory vehicles after initial budget preparation necessitates this transfer from the surplus/deficit reserve to manage these unexpected costs.
- **Materials (Paramedicine) - \$197,868 ↑**
The increase in materials is predominantly from the paramedicine program which is 100% funded from the Ministry of Health and Long-Term Care.
- **Vehicle Rent (Paramedicine) - \$86,400 ↑**
The cost in Rent and Financial expenses is up due to the rental of vehicles for the purposes of the Paramedicine Program which is fully funded.
- **Contracted Service with the West Parry Sound Health Centre - \$1,177,920 ↑**
\$623,154 relates to fulfilling Paramedicine Program requirements which are fully funded. The remaining financial pressures are due to increased costs in sick time and WSIB claims as well as the continued fall-out of the ongoing impacts of the COVID-19 emergency.
- **The Municipal Levy - \$200,805 ↑**
Challenges with sick time costs and WSIB claims at the West Parry Sound Health Centre as well as pressures of COVID-19 have necessitated an increase of 4.85% to the budget over the 2020 Land Ambulance Budget to maintain the existing level of service.

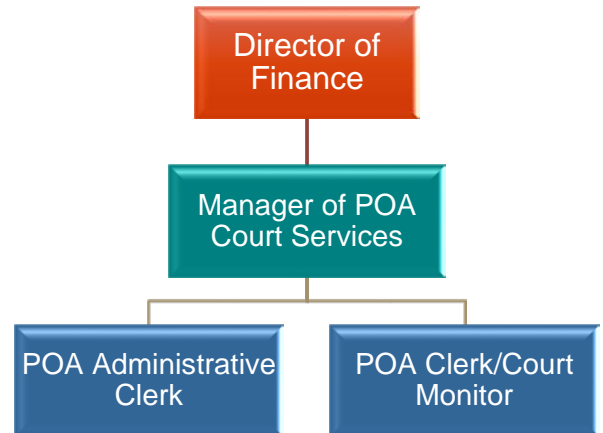
Provincial Offences Act

Overview

The Town operates the Provincial Offences Act (POA) Court for the District of Parry Sound. There are two court locations (Parry Sound and Sundridge) which serve the east and west side of the District.

The operations of the POA Court are governed by the Ministry of the Attorney General.

Similar to all other Municipalities in the District of Parry Sound, the Town is a member of the committee and shares the revenues and expenses with the other partners.



Functions

- Highway Traffic Act
- Provincial Parks Act
- Liquor License Act
- Fish and Wildlife Conservation Act
- Motorized Snow Vehicles Act
- Building Code Act

Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Fines and Penalties	\$ 926,665	\$ 670,805	\$ 1,017,000	\$ 785,761	\$ (231,239)	-22.74%
Investment Earnings	2,212	339	2,500	2,500	0	0.00%
Other Revenues	1,598	1,000	1,100	1,000	(100)	-9.09%
Total Revenues	\$ 930,475	\$ 672,145	\$ 1,020,600	\$ 789,261	\$ (231,339)	-22.67%
Expenses						
Salaries & Benefits	\$ 238,857	\$ 236,486	\$ 249,064	\$ 258,546	\$ 9,482	3.81%
Materials - Operating Expenses	25,938	14,901	48,965	47,600	(1,365)	-2.79%
Rent and Financial Expenses	72,001	27,486	70,500	15,800	(54,700)	-77.59%
Purchased/Contracted Services	193,913	68,923	194,400	163,900	(30,500)	-15.69%
Grants - Transfer Payments	345,767	267,418	402,281	240,748	(161,533)	-40.15%
Internal Recoveries	49,687	54,308	54,308	61,585	7,277	13.40%
Total Expenses	\$ 926,164	\$ 669,522	\$ 1,019,518	\$ 788,179	\$ (231,339)	-22.69%
Net Budget	\$ (4,311)	\$ (2,623)	\$ (1,082)	\$ (1,082)	-	N/A

Budget Highlights

- **Facility Rental Costs - \$50,200 ↓**
Facility rental costs are significantly reduced with no trials planned to be held in Sundridge in 2021 & the expiration of the 1-year minimum payment requirement in the renewed 5-year lease in November 2020.

- **Fine Revenues - \$236,324 ↓**
Forecast has been reduced based on actuals and observed trends of ticket issuance
- **Meals & Travel Costs - \$1,365 ↓**
With many changes as a result of the ongoing pandemic, meetings have been changed to virtual means, eliminating the need for these costs in 2021.
- **Contracted Services Costs - \$30,500 ↓**
Reduction as no Justice of the Peace was required in January or February of 2021 and associated legal costs have been reduced accordingly. Travel costs for court interpreters have been removed.
- **Payments/Fines paid to the Province and Other Municipalities \$136,286 ↓**
Associated with the anticipated decline in fine revenues, as the two are associated
- **Town Administration Fee - \$5,000 ↑**
Historically, there has been approximately \$1,000 increase/year for the administrative fee charged by the Town. In 2021, the gap between the actual costs for the administrative work done by the Town and the chargeback has been closed.

Charles W. Stockey Centre for the Performing Arts & Bobby Orr Hall of Fame

Overview

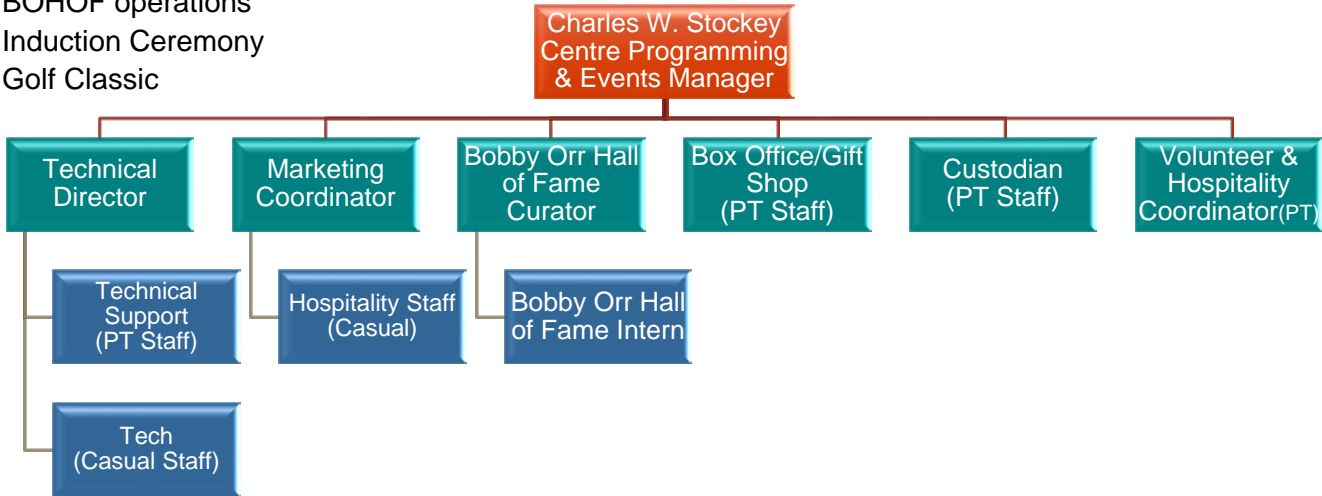
The Charles W. Stockey Centre (Stockey Centre) contains a 400-seat Festival Performance Hall and sits on 3.5 acres of waterfront overlooking Georgian Bay. The Hall has stunning acoustics as it was designed as a home for the Festival of the Sound, a world-renowned festival of chamber and classical music.

The Bobby Orr Hall of Fame (BOHOF) is an interactive hockey museum with a wide variety of photos, memorabilia, and artifacts about Bobby Orr, who was born in Parry Sound. In addition to exhibits relating to Bobby Orr, it also hosts exhibits about other exceptional athletes with ties to Parry Sound.

With the onset of the Covid-19 worldwide pandemic, the Charles W. Stockey Centre has experienced a large decline in revenues of \$455,741. As a result, they have taken a hard look at costs and operations to accommodate the significant reduction expected in user fee revenues to avoid increased taxation support. They have looked at operations, product offerings and staff complement to accommodate the pressures of lost revenues expected due to Covid-19.

Functions

- Facility operations
- BOHOF operations
- Induction Ceremony
- Golf Classic



Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
Provincial Grants & Subsidies	\$ 25,742	\$ 5,171	\$ 31,500	\$ 9,950	\$ (21,550)	-68.41%
Federal Grants & Subsidies	30,000	100,407	33,000	68,000	35,000	106.06%
Other Municipalities	260,000	260,000	307,333	297,334	(9,999)	-3.25%
User Fees	1,122,959	160,523	931,405	456,905	(474,500)	-50.94%
Investment Earnings	9,456	(1,390)	7,151	4,900	(2,251)	-31.48%
Licenses and Permits	3,500	4,500	2,500	4,500	2,000	80.00%
Other Revenues	104,800	107,196	59,000	74,559	15,559	26.37%
Contribution from Reserves	0	0	7,000	7,000	0	0.00%
Total Revenues	\$ 1,556,457	\$ 636,408	\$ 1,378,889	\$ 923,148	\$ (455,741)	-34.58%
Expenses						
Salaries & Benefits	\$ 488,968	\$ 448,844	\$ 582,556	\$ 464,500	\$ (118,056)	-20.27%
Materials - Operating Expenses	333,899	116,423	296,747	157,582	(139,165)	-46.90%
Energy Costs	81,079	70,360	83,000	80,000	(3,000)	-3.61%
Rent and Financial Expenses	27,025	8,152	26,021	13,021	(13,000)	-49.96%
Purchased/Contracted Services	471,127	51,568	277,461	101,766	(175,695)	-63.32%
Debt Repayment	1,615	17,848	47,333	47,334	1	0.00%
Grants - Transfer Payments	11,902	4,675	9,000	3,500	(5,500)	-61.11%
Internal Recoveries	17,452	16,179	16,120	14,545	(1,575)	-9.77%
Contribution to Reserves			43,151	40,900	(2,251)	-5.22%
Total Expenses	\$ 1,433,067	\$ 734,048	\$ 1,381,389	\$ 923,148	\$ (458,241)	-33.17%
Net Budget	\$ (123,390)	\$ 97,640	\$ 2,500	\$ 0	\$ (2,500)	-100.00%

Budget Highlights

- **Covid-19 Funding - \$9,950 ↑**

The municipality has received funding from the provincial government related to the Safe Restart Agreement. This portion of the funding is allocated to the Stockey Centre and Bobby Orr Hall of Fame to assist with Covid-19 costs and pressures including lost revenues, additional cleaning, and pandemic supplies.
- **Other Emergency Covid-19 Support Funding - \$35,000 ↑**

The Stockey Centre and Bobby Orr Hall of Fame expect to receive additional emergency support funding through the Canadian Arts Presentation Fund New Support for Workers Fund to assist with covid-19 costs and pressures.
- **Celebrity Golf Classic - \$150,000 ↓**

With the onset of Covid-19 and the pandemic the Celebrity Golf Classic event will most likely be cancelled again for 2021.
- **Ticket Sales - \$177,000 ↓**

The pandemic has impacted the number of participants allowed at an event and ticket sales are expected to be reduced significantly again in 2021.
- **Facility Rental Revenues - \$68,500 ↓**

The pandemic has impacted the number of participants allowed at an event, reducing the desirability of rentals to the performance hall to outside promoters as well as large-scale events such as weddings, banquets and holiday parties.
- **Liquor Sales - \$56,000 ↓**

The pandemic has impacted the number of participants allowed at an event, as such liquor sales to patrons at The Stockey Centre are planned to see a reduction due to the lower capacity limits.
- **Induction Admissions - \$23,000 ↓**

A smaller-scale Q&A with the incoming induction class will be live-streamed rather than the full induction ceremony resulting in lower ticket sales.
- **Fundraising - \$18,000 ↑**

Staff plan to conduct increased fundraising events to assist with supporting the facility through these difficult times.
- **Reduction in Part-Time Complement - \$145,440 ↓**

The number of part-time hours has been adjusted to accommodate a change to the types of events that will be allowed to continue. Areas that have been reduced are building maintenance and resets required between events, performance hall and event staffing needs, concessions, BOHOF intern and box office staff.

- **Materials Required Reduced - \$139,165 ↓**

The materials required has been significantly reduced due to reduced rental revenues, in person performances, and smaller inventory purchases due to expected lower sales.

- **Financial Expenses/Credit Card Fees - \$10,000 ↓**

Transactional credit card fees are expected to be reduced in 2021 with fewer ticket sales expected.

- **Artist Guarantees, Fees, Meals, & Rental Settlement - \$142,000 ↓**

With fewer in person performances, these costs are expected to decline significantly.

- **Celebrity Golf Classic and Induction Contracted Services - \$29,211 ↓**

These events are not expected to occur as usual in 2021 with so many restrictions on in person events due to the ongoing pandemic.

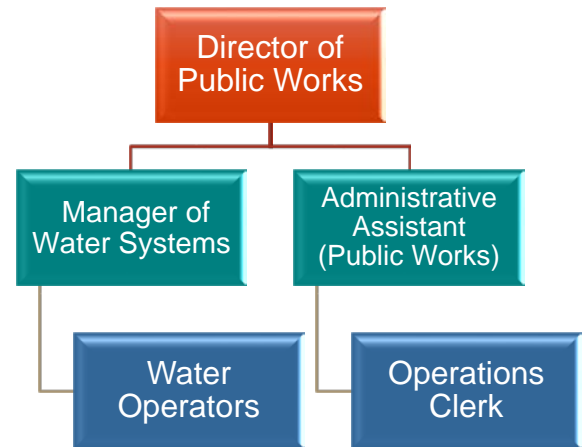
Water Systems

Overview

The Town owns and operates the Tony Agnello Water Treatment Plant, ensuring safe drinking water to ratepayers.

Functions

- The treatment and distribution of municipal water
- Repairs and maintenance on 40km of water distribution mains
- Fire hydrants
- Booster stations and elevated water towers, key components to the distribution system



Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
User Fees	\$ 2,546,754	\$ 2,582,283	\$ 2,631,500	\$ 2,649,774	\$ 18,274	0.69%
Penalties & Interest	5,509	5,125	6,900	5,100	(1,800)	-26.09%
Licensing & Lease Revenues	6,768	6,883	6,500	6,800	300	4.62%
Investment Earnings	411	33	3,005	200	(2,805)	-93.34%
Contribution from Reserves			280,742	152,436	(128,306)	-45.70%
Total Revenues	\$ 2,559,442	\$ 2,594,324	\$ 2,928,647	\$ 2,814,310	\$ (114,337)	-3.90%
Expenses						
Salaries & Benefits	\$ 543,899	\$ 524,725	\$ 597,690	\$ 621,810	\$ 24,120	4.04%
Materials - Operating Expenses	202,326	220,545	283,282	339,720	56,438	19.92%
Energy Costs	167,950	174,254	167,700	176,100	8,400	5.01%
Rent and Financial Expenses	0	0	7,500	7,500	0	0.00%
Purchased/Contracted Services	191,687	115,449	303,500	303,500	0	0.00%
Debt Repayment	84,540	54,340	68,729	161,461	92,732	134.92%
Internal Recoveries	113,397	110,168	109,941	113,760	3,819	3.47%
Contribution to Reserves	1,066,473	1,394,843	1,390,305	1,090,459	(299,846)	-21.57%
Total Expenses	\$ 2,559,442	\$ 2,594,324	\$ 2,928,647	\$ 2,814,310	\$ (114,337)	-3.90%
Total Levy Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%

Budget Highlights

- **Salaries and Wages - \$24,120 ↑**
Increased wages is due to more water operators earning their Class II certification or higher. The higher the level of the certificate, the more education and experience an operator is required to have. Water Treatment and Water Distribution and Supply have certifications from Operator-in-Training to Class IV, and Water Distribution has certifications from Class I to Class IV
- **Chemicals - \$38,000 ↑**
The cost of chemicals for water treatment has increased along with increased requirements for treatments to meet regulations.
- **Principal Payment on Debt - \$100,000 ↑**
The increase is funded from reserve for the water tower borrowing but this is a reallocation from the capital budget to the operating budget.

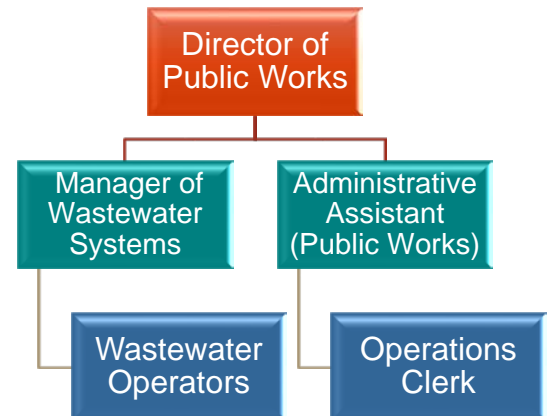
Wastewater Systems

Overview

The Town owns and operates its wastewater treatment plant, ensuring safe treatment of wastewater.

Functions

- Treatment and collection of municipal wastewater
- Repairs and maintenance of 32km of sanitary collection mains
- 15 Pump Stations, a key component of the collection system



Operating Budget Details

	Actuals		Budget		Budget Change	
	2019 Actuals	2020 Actuals	2020 Budget	2021 Budget	Dollar Change	Percent Change
Revenues						
User Fees	\$ 3,394,722	\$ 3,514,828	\$ 3,393,000	\$ 3,827,476	\$ 434,476	12.81%
Investment Earnings	3,039	5	2,920	200	(2,720)	-93.15%
Contribution from Reserves			134,966		(134,966)	-100.00%
Total Revenues	\$ 3,397,761	\$ 3,514,833	\$ 3,530,886	\$ 3,827,676	\$ 296,790	8.41%
Expenses						
Salaries & Benefits	\$ 580,570	\$ 552,181	\$ 605,667	\$ 608,761	\$ 3,094	0.51%
Materials - Operating Expenses	345,417	310,379	342,984	337,374	(5,610)	-1.64%
Energy Costs	444,430	466,803	345,000	437,000	92,000	26.67%
Rent and Financial Expenses	1,551	1,350	6,500	6,500	0	0.00%
Purchased/Contracted Services	313,395	212,338	338,500	378,500	40,000	11.82%
Debt Repayment	243,374	145,033	239,692	228,742	(10,950)	-4.57%
Internal Recoveries	115,489	120,282	117,823	125,195	7,372	6.26%
Contribution to Reserves	1,111,597	1,896,774	1,534,720	1,705,604	170,884	11.13%
Total Expenses	\$ 3,397,761	\$ 3,514,833	\$ 3,530,886	\$ 3,827,676	\$ 296,790	8.41%
Total Levy Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%

Budget Highlights

- **Wastewater Treatment Plant Utilities - \$92,000 ↑**
The energy costs at the wastewater treatment plant have gone up and this increase is representative of historical costs for both 2020 and 2021.
- **Wastewater Treatment Plant/ Contracts for Services - \$35,000 ↑**
Increase based on historical actuals compared to budget, as the plant continues to age, there are increased maintenance required, and hiring the individuals qualified to do such maintenance
- **Contribution from Reserve - \$134,966 ↓**
Less is required from the reserve following the water and wastewater reserve study and the new rates effective in March 2021.



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Capital Budget

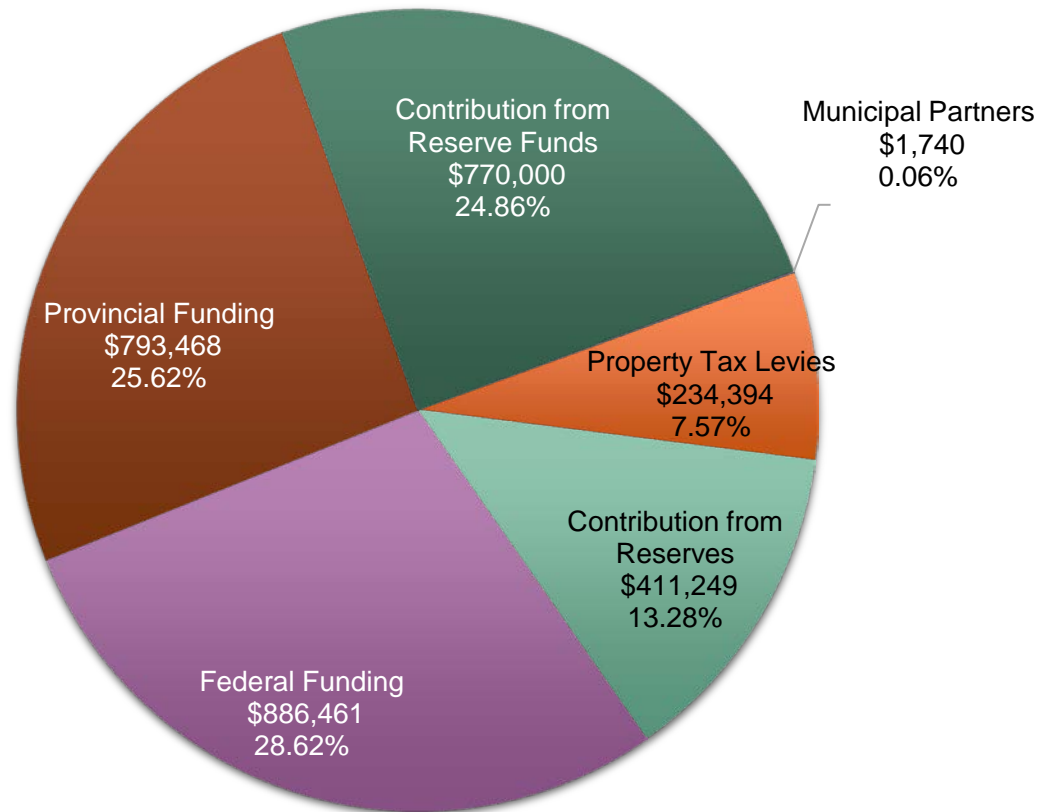
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Capital Budget

While the focus of the Operating budget is on the day-to-day operations, it is the capital budget that ensures the Town and Staff have adequate tools and infrastructure to provide the services.

For example, without regular repair and replacement the Tony Agnello Water Treatment Plant as well as the watermains underground the Town would be unable to provide the ratepayers with safe drinking water when they turn on the tap.

In 2021, there is a total capital budget of \$3,097,312, which is funded through various sources.



To assist with funding capital projects there is a calculation performed to identify the dedicated capital levy. As this dedicated levy grows it will help to fund the plans established through the Town’s Asset Management Plan. The dedicated levy is currently used to:

- Pay for tax-supported debt repayments
- Annual contribution to the Fleet Reserve
- Annual contribution to the Equipment Reserve
- Annual contribution to the Building Replacement Reserve
- Annual contribution to Capital Asset Replacement Reserve Fund *New (Infrastructure)
- Assist with coverage of the tax supported capital projects

Budget Change

2020 Budget	2021 Budget	Dollar Change	Percent Change
\$4,574,704	\$3,097,312	-\$1,477,392	-32.29%

Highlights

- There are ***no new, large infrastructure projects for 2021.***
- In the year 2020, many capital projects were placed on hold as a precaution in the face of uncertain cash flows.
- The 2021 capital budget will focus on completion of carryforward items.
- The Town will be focusing on finalizing their Asset Management Plans for core infrastructure in 2021.
- The regular annual paving program and infrastructure replacement activities will continue.
- Spending has been restricted and no new borrowing is planned for 2021 as we plan conservatively into the second year of the COVID-19 worldwide pandemic.
- The Town is completing a capacity study that could impact required spending at a later date this year which will come forward to Council for approval.

What is a Capital Budget?

The Town's operating budget funds the day-to-day operations and maintenance of the Town's assets. Changes in the operating budget can affect the lifespan of an asset, and the purchase of new assets can affect the future capital budgets.

The capital budget sets the funding for:

- **Capital assets:** The physical items that the Town owns or controls that have some form of financial value, for example, the municipal building; and
- **Municipal Infrastructure:** The equipment and systems that provide the Town with roads, bridges, culverts, stormwater systems, water systems and wastewater systems

As further developments are made, the capital budget will become a well scheduled process, relying heavily on the asset management plans of a municipality to help make decisions regarding project priorities and timing.

Today's reality is that many municipalities face an infrastructure gap, the difference between the work that needs to be done to keep municipal assets and infrastructure in good working condition, and the funds to do so. The realization of this gap has led to various asset management changes, the most recent of which is Ontario Regulation 588/17.

Under Ontario Regulation 588/17, all Ontario municipalities are required to have:

- ❖ A strategic asset management policy by July 1, 2019, reviewed and updated at least every five years;
- ❖ An asset management plan for water, wastewater, storm, roads, bridges and culverts by July 1, 2021; and
- ❖ An asset management plan for buildings, machinery and equipment, land improvements and vehicles by July 1, 2023

The Town currently has an asset management policy and is working towards the development of an asset management plan for core infrastructure to meet the next deadline in regulation’s requirements.

Dedicated Capital Levy

The 2021 dedicated capital levy is: \$ 1,732,179

On January 17, 2017, the Town of Parry Sound officially received their Asset Management Plan (AMP), as submitted by Public Sector Digest Inc. (PSD). This document was extensive and provided a few recommendations for the Town to consider.

The Town of Parry Sound, just like most other municipalities, is dealing with aging infrastructure, and working towards a method through which to fund the projects as they come due. Council adopted one of PSD’s recommendations, an increase of tax revenues by 1.8%/year for 20 years solely for phasing in full funding to these asset categories.

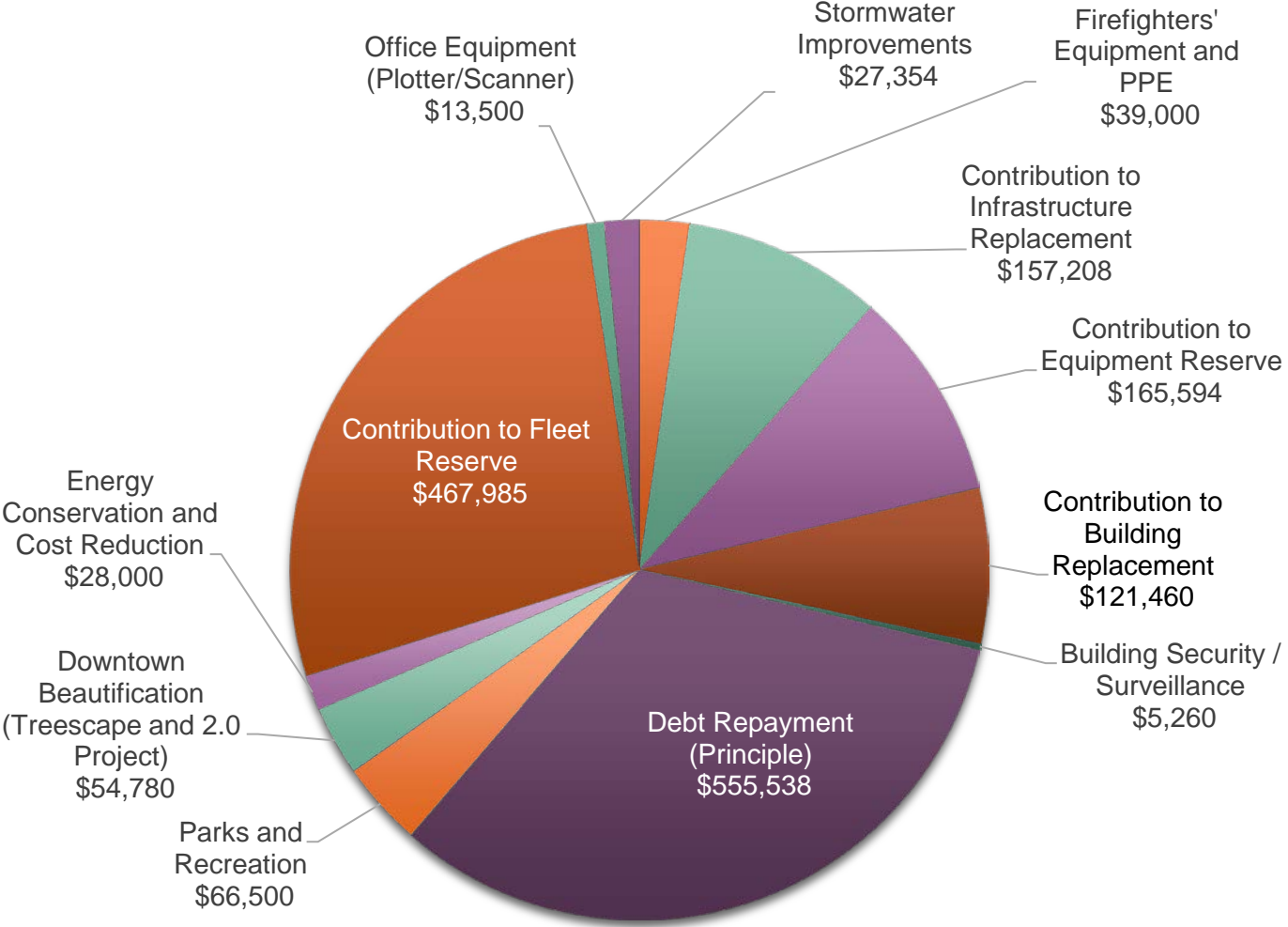
Calculation of the Dedicated Capital Levy

2020 net tax levy required (per 2020 budget)	\$ 11,379,214
Growth factor	1.8%
	<hr/>
	\$ 204,826
2020 dedicated capital levy	1,527,353
2021 dedicated capital levy	<hr/>
	\$ 1,732,179
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Allocation of the Capital Levy

The goal of the capital levy is to provide funding for future capital projects. As the Town continues to develop its AMP the distribution of the capital levy will be refined to accurately reflect the funding needs of each asset category.

Currently, the dedicated capital levy is used for reserve contributions dedicated to fleet and equipment replacement, as well as debt principle repayments. Any remaining levy is applied towards tax supported capital projects.



Capital Projects

Capital projects vary in size from replacement of the desktop and laptops used by Town staff daily to the replacement of water, wastewater, storm sewer, roads and sidewalks for a section of road.

A project may be completed within a budget year, or over multiple years. At times the Town can secure funding from Provincial or Federal programs, or access savings from reserves and reserve funds, and other times it needs to use debt

Previously Approved Projects

Carried Forward from 2020 to 2021

Projects that have not been completed in 2020 have been deferred to 2021. In some cases, some preliminary work may have been performed, resulting in a more accurate 2021 budget figure.

Project	2020 Budget	2021 Budget	Change
SPS #3 Upgrade	\$ 700,000	\$ 700,000	\$ -
Sewage Pump Station 5 Grease Control	20,000	20,000	-
Gate Security/Wastewater	30,000	30,000	-
SPS 6 Electrical Upgrade/Pump	1,250,000	1,250,000	-
Mission Park Playground Equipment	80,000	80,000	-
Tower Hill Rockpath	10,000	10,000	-
BOCC Tables and Chairs	33,500	33,500	-
Waubuno Beach Roof	15,000	15,000	-

Project	2020 Budget	2021 Budget	Change
CP Station Furnace	27,420	27,420	-
Resurface Ball Fields	40,000	40,000	-
Stucco Exterior	15,000	15,000	-
Security – Key Fob System at Town Office	18,000	18,000	-
Meeting Room Upgrade	15,000	15,000	-
Portable Dynamic Speed Sign	15,000	15,000	-
Fire Hall Improvements	50,000	50,000	-
Fitness Trail Renovations	50,000	50,000	-
Boat Dock Replacement	50,000	50,000	-
Operations Yard Paving/Laneway Transfer	130,000	130,000	-
PW Truck (08 080)	57,500	57,500	-
Hillcrest Mower (07-630)	17,000	17,000	-
Hillcrest Mower (07-920)	25,000	25,000	-
Tower Insertion Meters	20,000	20,000	-
I/O Module Upgrades	40,000	40,000	-
Water Plant VFD blowers	10,000	10,000	-
Town Dock – Lights and Electrical	40,000	40,000	-
Town Dock - Roof	12,000	12,000	-
Big Sound Marina – Floating Breakwater	1,693,240	1,693,240	-
Commercial Freezer	6,000	6,000	-
SC Hot Water Tanks	5,500	5,500	-

Project	2020 Budget	2021 Budget	Change
Performance Hall Lighting Consult Fee	16,000	16,000	-
SC Loading Bay Area Upgrades	6,000	6,000	-
Total	\$ 4,497,160	\$ 4,497,160	-

- ❖ Sewage Pump Station 3 (SPS 3) – 7 Hawthorne Crescent
- ❖ Sewage Pump Station 5 (SPS 5) – 4 Cascade Street
- ❖ Sewage Pump Station 6 (SPS 6) - 2 Johnson Street

Annual Capital Expenditures

There are capital assets owned by the Town that are either pooled (e.g. water meters) or part of a large group of assets (e.g. paving). Annually there is a portion of these assets that need to be replaced/upgraded as there is a continual cycle of items reaching the end of their useful lives.

Project	Tax Levy	Provincial Funding	Federal Funding	Reserve	Reserve Funds
Laptop/ Desktop Replacement	\$ -	\$ -	\$ -	\$ 24,000	\$ -
Council Meeting Devices	-	-	-	500	-
Firefighters Gear	24,000	-	-	-	-
Firefighters' PPE	15,000	-	-	-	-
Traffic Light Control System	-	100,000	-	-	-
Paving	-	393,539	406,461	-	-
Manhole Repairs	-	-	-	100,000	-
Water Plant High Lift/Low Lift/Permeate Pump	-	-	-	25,000	-
Rotork Actuators	-	-	-	30,000	-
Water Meters	-	-	-	30,000	-
Total	\$39,000	\$ 493,539	\$406,461	\$209,500	\$ -

New 2021 Capital Projects

Each year there are new projects requiring staff's attention. In 2021, staff's focus is on completing previously approved projects and maintaining regular replacement schedules that have been laid out through long-term planning exercises. With the onset of a worldwide pandemic in 2020, many projects were initially placed on hold to manage cash flows until property taxation receivables were more certain. A prioritization and service level setting exercise in 2021 will inform future replacement.

General Government

Office of the Chief Administrative Officer, Finance & Information Technology

Project	Tax Levy	Municipal Partners	Reserve	Reserve Funds
IT Infrastructure Upgrade – Replacement of Server, Etc	\$ -	\$ -	\$ 130,000	\$ -
Surveillance – Camera Systems (office/water/wastewater)	5,260	1,740	-	-
Plotter /Scanner	13,500	-	-	-
Smart Thermostats	5,000		-	-
Total	\$ 23,760	\$ 1,740	\$ 130,000	\$ -

Protection Services

Emergency & Protective Services, Fire Services, By-law Enforcement & Building Inspection

Project	Tax Levy	Municipal Partners	COVID-19	Reserve	Reserve Funds
Fire Hall Accessibility/Safety Service Improvements	\$ -	\$ -	\$ 50,000	\$ -	\$ -
Total	\$ -	\$ -	\$ 50,000	\$ -	\$ -

Transportation Services

Operations & Winter Control

Project	Tax Levy	Federal Funding	COVID-19	Reserve	Reserve Funds
Operations Building T8 Replacement – Phase II	\$ 3,000	\$ -	\$ -	\$ -	\$ -
Isabella Train Crossing Safety Improvements	-	480,000	-	-	270,000
Automatic Vehicle Location Technology	-	-	40,000	-	-
Rehabilitation of PW Building	-	-	182,848	-	-
Total	\$ 3,000	\$480,000	\$ 222,848	\$ -	\$ 270,000

Environmental Services

Storm Water Control, Waste Management, Wastewater Services & Water Services

Project	Tax Levy	Provincial Funding	Modernization	Reserve	Reserve Funds
Stormwater Improvements	\$ 27,354	\$ 122,646	\$ -	\$ -	\$ -
Water Wastewater Control System	-	-	300,000	-	-
Cla-Val Replacement	-	-	-	25,000	-
WTP Roof Landscaping	-	-	-	5,000	-
Water Tower Work	-	-	-	40,000	-
Membrane Tank Repairs	-	-	-	50,000	-
Dechlorination ORP System Replacement	-	-	-	15,000	-
Water tanks level transmitter replacements	-	-	-	15,000	-
Total	\$ 27,354	\$ 122,646	\$ 300,000	\$150,000	\$ -

❖ Following the Capital Budget, additional funds may be requested re. capacity study for time sensitive items if identified.

Health Services

Cemeteries & Land Ambulance

Project	Tax Levy	Provincial Funding	Federal Funding	Reserve	Reserve Funds
Medical Equipment	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Non-Medical Equipment	-	-	-	-	10,000
Ambulance 5259	-	-	-	-	145,000
Ambulance 5258	-	-	-	-	145,000
PRU 5317	-	-	-	-	85,000
Total	\$ -	\$ -	\$ -	\$ -	\$ 460,000

Recreation and Culture

Bobby Orr Community Centre, Parks and Recreation, Charles W. Stockey Centre & Bobby Orr Hall of Fame

Project	Tax Levy	Provincial Funding	Federal Funding	Reserve	Reserve Funds
Fitness Trail - Seguin River Pedestrian bridge	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Parks garbage/recycling replacement	26,000	-	-	-	-
Shuffleboard Courts Rehab.	8,500	-	-	-	-

Project	Tax Levy	Provincial Funding	Federal Funding	Reserve	Reserve Funds
Parks & Boat Launch Signage	10,000	-	-	-	-
Bird Netting Kinsmen Outdoor Rink	5,000	-	-	-	-
Board Work Kinsmen Outdoor Rink	5,000	-	-	-	-
Enhancement of Light up the Park - Infrastructure	12,000	-	-	-	-
BOCC T8 Lighting Replacement	15,000	-	-	-	-
Kinsmen Park Outdoor Street Lighting Replacement	5,000	-	-	-	-
Specialized Equipment – Livestream Events Stockey	-	-	-	31,749	-
Stage/ Performance Hall Flooring Refinishing	-	-	-	15,000	-
Total	\$ 86,500	\$ -	\$ -	\$ 46,749	\$ 40,000

Planning and Development

Economic Development & Planning

Project	Tax Levy	Provincial Funding	Federal Funding	Reserve	Reserve Funds
DBA -Downtown Parry Sound Beautification 2.0	\$ 24,780	\$ 10,620	-	-	-
Treescape in Downtown	30,000				
Total	\$ 54,780	\$ 10,620	\$ -	\$ -	\$ -

- ❖ Items for Council Consideration from the public will be brought forward to the March 23rd meeting of Council.

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TOWN OF
Parry Sound

Reserves and Reserve Funds

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Overview

Reserves and Reserve Funds allow for long-term planning, internal financing and dealing with unknown situations that may arise during the year. They can also be used to help maintain a stable financial position by minimizing the fluctuations in the tax rate, while helping to support the cash requirements of the organization. Reserves and Reserve Funds are also important tools when it comes to replacement and rehabilitation of infrastructure and contingencies for one-time or unknown events.

Reserves

A reserve is an allocation of accumulated net revenue that makes no reference to any specific asset and does not require the physical segregation of money. Reserves are part of the revenue fund, and therefore do not earn interest like a reserve fund.

Reserve Funds

A reserve fund is an asset physically segregated and restricted to meet a specified purpose. Reserve fund monies with the Town are invested in accordance with Ontario Regulation 438/97 Eligible Investments and Related Financial Agreements. All earnings, i.e. interest, on these investments must form part of the reserve fund.

1. Obligatory Reserve Funds

Reserve funds required by legislation or agreement to be segregated from the Town's general revenues for a special purpose or for works to be undertaken on behalf of the contributor. Obligatory reserve funds are created solely for the purpose that has been prescribed.

2. Discretionary Reserve Funds

Reserve funds created at the discretion of Council whenever revenues are earmarked to finance future expenditures of a purpose designated by Council.

Reserve Summary

Reserve	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Projected 2021 Activity	Dec 31/21 Estimated Balance
Big Sound Marina Reserve	-	\$1,293,240	\$(1,293,240)	\$ -
Building Replacement	413,392	477,852	79,460	557,312
Covid-19 Reserve	-	335,064	(201,538)	133,526
Cemetery and Columbaria	37,745	12,745	-	12,745
Economic Development	41,459	141,459	-	141,459
Emergency Capital Asset Replacement	200,000	200,000	-	200,000
Emergency Services	42,935	42,935	-	42,935
Equipment Replacement	117,801	275,026	47,674	322,700
Facade Improvement Program	42,311	82,311	40,000	122,311
Fleet Replacement	224,014	581,549	410,485	992,034
Founders Circle	32,000	32,000	-	32,000
General Working	2,299,514	2,299,514	-	2,299,514
Health Unit Capital	14,428	14,428	-	14,428
Health Unit Cost Stabilization *New	-	29,514	-	29,514
Industrial Development/Area Park	30,410	30,410	-	30,410
Infrastructure Replacement	473,323	473,323	81,408	554,731
IT Replacement	135,379	164,680	(112,500)	52,180
LACAC Directory Sales	7,667	7,667	-	7,667

Reserve	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Projected 2021 Activity	Dec 31/21 Estimated Balance
Modernization	\$658,950	\$658,950	\$(350,000)	\$308,950
Municipal Elections	\$5,000	\$10,000	\$5,000	\$15,000
Parks	351,368	351,368	(140,000)	211,368
Planning Dept - OP review/legal	20,000	20,000		20,000
Police Cost Stabilization	215,685	215,685	(105,000)	110,685
Salt management	18,000	18,000		18,000
Stockey Centre Reserve	188,514	157,615	(49,649)	107,966
Tax Rate Stabilization	1,064,731	1,001,231	(4,557)	996,674
Transportation - Winter Control	298,509	298,509	-	298,509
Waste Management and Landfill Decommissioning	235,394	235,394	-	235,394
Wastewater Rate Stabilization Reserve	3,905,355	3,705,006	(394,396)	3,310,610
Water Rate Stabilization Reserve	5,758,492	5,802,867	663,113	6,465,980
WSIB	321,400	321,400	-	321,400
	\$17,153,776	\$19,289,743	\$(1,323,740)	\$17,966,002

Reserve Continuities

The following continuities outline the anticipated activity in 2021 for the following reserves. There are some reserves identified by the Town that are not expected to have any changes in 2021, and therefore their continuities have not been prepared.

Building Replacement Reserve

Purpose: To provide funding for the rehabilitation or replacement of the Town buildings and components thereof

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Municipal Office Building	\$186,792	\$141,792		-30,000	\$111,792
CP Station Roof Repair	16,198	16,198			\$16,198
Salt Shed Replacement	110,600	110,600			\$110,600
Library Renovations	14,750	14,750			\$14,750
Storage Shed	10,000	10,000			\$10,000
Town Dock Roof	12,000	12,000		-12,000	\$0
Unassigned	63,052	51,052			\$51,052
Pooled Building Replacement (20 Year)	-	121,460	121,460		\$242,920
	\$413,392	\$477,852	\$121,460	-\$42,000	\$557,312

2020 Amounts Carried Forward & Budgeted 2021 Withdrawal

- Stucco repair to exterior of Municipal Office \$ 15,000
- Town Dock roof (Washrooms & former info centre) \$ 12,000
- New Meeting Room Upgrade \$ 15,000

2021 Contributions

- Transfer to reserve for future building lifecycle activities \$121,460

Equipment Replacement Reserve

Purpose: To provide funding for the replacement of machinery and equipment, including rolling stock

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Rolling Stock 20 Year Plan	\$46,242	\$157,062	\$110,820	\$(57,000)	\$210,882
Fire Services	24,861	79,635	54,774	-	134,409
Unspecified	46,699	38,329	-	(60,920)	(22,591)
	\$ 117,801	\$ 275,026	\$ 165,594	\$(117,920)	\$ 322,700

2020 Amounts Carried Forward & Budgeted 2021 Withdrawal

- Tables and chairs at the BOCC \$ 33,500
- CP Station Furnace \$ 27,420
- Hillcrest mowers \$ 42,000

2021 Contributions

- Annual contribution to rolling stock \$ 110,820
- Annual contribution for Firefighter equipment and PPE \$ 54,774

2021 Withdrawals

- Portable Dynamic Speed Sign \$ 15,000

Façade Improvement Reserve

Purpose: To provide funding for the Façade Improvement program run by the Town as the projects sometimes span more than one fiscal year

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Opening Balance	\$15,248	\$15,248			\$15,248
2018 Façade Program	9,303	9,303			9,303
2019 Façade Program	17,759	17,759			17,759
2020 Façade Program		40,000			40,000
2021 Façade Program			40,000		40,000
	\$42,310	\$82,310	\$40,000	-	\$122,310

2021 Contributions

- Annual contribution to the Façade Program \$ 40,000

Note that the timing of any withdrawals is dependent on when the successful applicants provide their supporting documentation.

Fleet Replacement Reserve

Purpose: To provide funding for the replacement of the Town's fleet

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Fleet Replacement Strategy	\$224,014	\$581,549	\$467,985	\$(57,500)	\$992,034
	\$224,014	\$581,549	\$467,985	\$(57,500)	\$992,034

2021 Contributions

- Annual contribution \$ 467,985

2020 Amounts Carried Forward & Budgeted 2021 Withdrawal

- PW truck (08-080) \$ 57,500

IT Replacement Reserve

Purpose: To provide funding for the purchase of IT infrastructure (hardware) and IT software

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Finance Department - Software Replacement	\$10,000	\$10,000	-	-	\$10,000
IT Capital Requirements	94,379	108,840	31,000	(148,000)	9,840
Desktop/Laptop Replacements	31,000	45,840	24,000	(24,500)	45,340
Surveillance Camera Replacement	-	-	5,000	-	5,000
	\$135,379	\$164,680	\$60,000	\$(172,500)	\$52,180

2021 Contributions

- Desktop/laptop replacements \$ 24,000
- IT Infrastructure replacements \$ 31,000

- Surveillance Camera Replacement 2021 \$ 5,000

Withdrawals

- Key Fob Project \$ 18,000
- Laptop and Desktop Replacements \$ 24,000
- Council Meeting Devices \$ 500
- IT Infrastructure Upgrade \$ 130,000

Municipal Elections Reserve

Purpose: To fund future municipal election costs

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Municipal Elections	\$5,000	\$10,000	\$5,000	-	\$15,000
	\$5,000	\$10,000	\$5,000	-	\$15,000

2021 Contributions

- Annual contribution in a non-election year \$ 5,000

Parks Reserve

Purpose: To fund future capital replacement and program expansion for local parks

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Parks General	\$ 53,626	\$ 53,626		\$(50,000)	\$3,626
Forestry Tower & Park	33,647	33,647			33,647
Y. Williams Park	12,000	12,000			12,000
Skate Board Park	39,531	39,531			39,531
General Waterfront	55,702	55,702			55,702
Waterfront Advisory	2,506	2,506			2,506
Kinsmen Park	20,000	20,000			20,000
Trails Master Plan	1,856	1,856			1,856
Playground Equipment	57,000	57,000		(40,000)	17,000

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Tennis Courts	3,000	3,000			3,000
Big Sound Marina	22,500	22,500			22,500
Fitness Trail Renovations	50,000	50,000		(50,000)	-
	\$ 351,368	\$ 351,368		\$(140,000)	\$211,368

2020 Amounts Carried Forward & Budgeted 2021 Withdrawal

- Mission Park playground equipment \$ 40,000
- Tower Hill rock path restoration \$ 10,000
- Fitness Trail Renovations \$ 50,000
- Resurface Ball Fields \$ 40,000

Infrastructure Replacement Reserve

Purpose: To provide funding for the replacement of machinery and equipment, including rolling stock

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Rolling Stock 20 Year Plan	\$473,323	\$473,323	\$157,208	\$(75,800)	\$554,731
	\$473,323	\$473,323	\$157,208	\$(75,800)	\$554,731

2021 Contributions

- New Contribution for Infrastructure replacement \$ 157,208

2021 Withdrawals

- Asset Management Plan \$ 75,800

Stockey Centre Reserve

Purpose: To fund future capital asset purchases for the Charles W. Stockey Centre

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Opening Balance	\$138,514	\$107,615	\$36,000	\$(85,649)	\$57,966
Phase II Roof Repair	\$50,000	\$50,000			\$50,000

	\$188,514	\$157,615	\$36,000	\$(85,649)	\$107,966
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2020 Amounts Carried Forward & Budgeted 2021 Withdrawal

- Loading bay upgrades \$ 6,000
- Stockey Centre hot water tank \$ 5,500
- Performance Hall lighting \$ 14,400
- Commercial freezer \$ 6,000

2021 Withdrawals

- Repairs to Bayside Deck \$ 5,000
- Scholarship \$ 2,000
- Specialized Equipment \$ 31,749
- Stage & Performance Hall Flooring \$ 15,000

Water Stabilization Reserve

Purpose: To fund water service operations and future capital asset replacement

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Balance	\$5,758,492	\$5,802,867	\$1,090,459	\$427,346	\$6,465,980
	\$5,758,492	\$5,802,867	\$1,090,459	\$427,346	\$6,465,980

2020 Amounts Carried Forward & Budgeted 2021 Withdrawal

- Surveillance camera \$ 1,200
- Tower insertion meters \$ 30,000
- Water Meters \$ 15,000
- I/O Module Upgrades \$ 40,000
- Water plant VFD blowers \$ 10,000
- Water Plant High Lift/Low Lift/Permeate Pump \$ 25,000
- Rotork Actuators \$ 30,000
- Water transfer to Operating \$ 152,436

2021 Contributions

- Capital usage charges \$ 1,090,459

2021 Withdrawals

- Cla-Val Replacement \$ 25,000
- WTP Roof Landscaping \$ 5,000
- Water Tower Work \$ 40,000

- Membrane Tank Repairs \$ 50,000
- Dechlorination ORP System \$ 15,000
- Water tank level transmitter \$ 15,000

Wastewater Stabilization Reserve

Purpose: To fund wastewater service operations and future capital asset replacement

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Balance	\$3,905,355	\$3,705,006	\$1,705,604	\$2,100,000	\$3,310,610
	\$3,905,355	\$3,705,006	\$1,705,604	\$2,100,000	\$3,310,610

2020 Amounts Carried Forward & Budgeted 2021 Withdrawal

- SPS #3 Upgrades \$ 700,000
- Sewage pump station 5 grease control \$ 20,000
- Gate security/Wastewater treatment plant \$ 30,000
- SPS #6 Electrical upgrades \$ 1,250,000

2021 Contributions

- Capital Usage Charges \$ 1,594,580
- Additional Contributions \$ 111,024

2021 Withdrawals

- Wastewater manhole repairs \$ 100,000

Covid-19 Reserve

Purpose: To provide funding for costs and pressures associated with the pandemic.

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Covid-19	-	\$335,064	-	\$(201,538)	\$133,526
	-	\$335,064	-	\$(201,538)	\$133,526

2021 Withdrawals

- Fire hall service counter redesign \$ 50,500
- Stockey Centre pressures \$ 9,950
- BOCC lost revenues \$ 59,840
- Parks and Rec lost revenues \$ 9,000
- Covid-19 Enforcement \$ 29,168
- Pandemic Supplies & Expenses \$ 43,080

Reserve Fund Summary

Unless otherwise identified, the projected activity for 2020 is investment income (i.e. interest earned) during the year.

Reserve	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Projected 2021 Activity	Dec 31/21 Estimated Balance
Obligatory Reserve Funds				
Development Charges	\$ 110,071	\$ 110,071	\$(50,000)	\$60,071
Property/Parkland Reserve Fund	100,779	102,335	-	102,335
Provincial Gas Tax	109,285	168,308	48,000	216,308
Federal Gas Tax	390,574	817,204	(426,421)	390,743
Discretionary Reserve Funds				
Bobby Orr Hall of Fame Reserve Fund	140,308	143,440	1,500	144,940
BOHOF Scholarship	16,022	14,832	500	15,332
BOHOF Special Projects	237,727	206,327	2,900	209,227
Capital Asset Legacy Reserve Fund	1,062,648	1,185,704	(295,468)	890,236
Capital Replacement Reserve	1,233,202	1,108,659	(478,200)	630,459
EMS Equipment and Capital Reserve Fund	62,618	202,324	30,178	232,502
EMS Municipal Surplus Reserve Fund	698,258	716,928	-	716,928
Fire Training Reserve Fund	128	128	-	128
Future Pool Reserve Fund	110,671	48,280	30,000	78,280
EMS Severance Reserve Fund	571,611	571,611	-	571,611
Municipal Parking Reserve Fund	117,962	117,962	-	117,962
Smelter Wharf	413,950	469,419	38,525	507,944
Splash Pad	44,289	44,500	200	44,700
Treetops Community Forest	1,850	1,868	24	1,892
Sewer Development Reserve Fund	129,415	132,335	500	132,835
Water Development Reserve Fund	133,157	136,162	550	136,712

West Parry Sound District Association Reserve Fund	1,493	1,527	20	1,547
	\$5,686,018	\$6,299,924	(\$1,097,232)	\$5,202,692

Reserve Fund Continuities

The following continuities outline the anticipated activity in 2021 for the following reserves. There are some reserve funds identified by the Town that are not expected to have any changes in 2021 beyond investment income and therefore their continuities have not been prepared.

Bobby Orr Hall of Fame Scholarship Reserve Fund

Purpose: To fund an annual scholarship to graduating recipients of the Celebrating Youth Awards

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Balance	\$ 17,915	\$ 16,328	\$413	\$(2,000)	\$14,741
	\$ 17,915	\$ 16,328	\$413	\$(2,000)	\$14,741
2021 Contributions					
• Estimated Investment Income			\$ 413		
2021 Withdrawals					
• BOHOF 2020 Scholarship Awards			\$ 2,000		

Capital Asset Legacy Reserve Fund

Purpose: To provide a source of funding for expenditures related to the purchase of capital assets, excluding water and wastewater systems

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Balance	\$1,059,871	\$1,185,704	\$104,532	\$400,000	\$890,236
	\$1,059,871	\$1,185,704	\$104,532	\$400,000	\$890,236

2021 Contributions

- Estimated Investment Income \$ 1,332
- Repayment for Big Sound Dock C \$ 103,200

Capital Asset Replacement Reserve Fund

Purpose: To provide a source of funding for expenditures related to the purchase of capital assets, excluding water and wastewater systems

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Balance	\$1,233,202	\$1,108,659	\$6,800	\$(485,000)	\$630,459
	\$1,233,202	\$1,108,659	\$6,800	\$(485,000)	\$630,459

2020 Amounts Carried Forward & Budgeted 2021 Withdrawal

- Mission Park Playground \$ 40,000
- Town Dock – Lights/Electrical \$ 20,000
- Waubuno Beach Roof \$ 15,000
- Boat Dock Replacement \$ 50,000
- Fire Hall Improvements (Ready Room) \$ 50,000

2021 Contributions

- Estimated Investment Income \$ 6,800

2021 Withdrawals

- Fitness Trail Seguin River Bridge Inspection \$ 40,000
- Isabella Crossing (Contingent on rail grant) \$ 270,000

Development Charges Reserve Fund

Purpose: To provide funding for capital expansion related to growth

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Development Charges	\$ 18,747	\$ 18,747		(18,747)	-
Lot Levy	91,354	91,354		(31,253)	60,101
	\$ 110,071	\$ 110,071		\$(50,000)	\$60,101

2020 Amounts Carried Forward & Budgeted 2021 Withdrawal

- Development Charges Study \$ 50,000

EMS Equipment/Capital Reserve Fund

Purpose: To fund infrastructure, vehicle and equipment replacement for EMS

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Balance	\$ 62,618	\$ 202,324	\$490,178	\$460,000	\$232,502
	\$ 62,618	\$ 202,324	\$490,178	\$460,000	\$232,502

2021 Contributions

- Annual contribution \$ 490,178

2021 Withdrawals

- Medical Equipment \$75,000
- Non-Medical Equipment \$10,000
- Ambulance 5259 \$145,000
- Ambulance 5258 \$145,000
- PRU 5317 \$ 85,000

Future Pool Reserve Fund

Purpose: To provide funding for an aquatics centre

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Balance Pre 2019	\$ 47,170	\$ 48,280			\$48,280

Town's Contributions	\$ 43,010	-	30,000	30,000
Unused Municipal Contributions	129,464	-		-
	\$ 219,644	\$ 48,280	\$30,000	\$78,280

2021 Contributions

- Town Contribution \$ 30,000

Smelter Wharf Reserve Fund

Purpose: To provide funding for capital repairs/replace at the Salt Dock (Smelter Wharf)

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Balance	\$413,950	\$469,419	\$38,525	-	\$507,944
	\$413,950	\$469,419	\$38,525	-	\$507,944

2021 Contributions

- Estimated contribution per agreement with Sifto \$ 38,525



TOWN OF
Parry Sound

Supplementary Information

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Revenue and Expense Categories

Revenues

Levies: This category consists of estimated supplementary taxation and payments-in-lieu of taxation received from government agencies

Provincial Grants and Subsidies: This category consists of grants received from the Province of Ontario for specific functions such as Ontario Municipal Partnership Fund, or specific grant projects

Federal Grants and Subsidies: This category consists of grants received from the Federal government for specific functions such as the Federal Gas Tax

User Fees: This category consists of fees for use of services including, but not limited to, ice and hall rentals, cemetery fees, applications for building permits and water/wastewater

Licensing and Lease Revenues: This category consists of licensing fees such as taxi licensing, and lease revenues for rentals of municipal facilities and property

Investment Earnings: This category accounts for all the investment income earned by the Town of Parry Sound through interest on tax and water/wastewater arrears, interest earned on investments and bank accounts and returns on investment in Lakeland Power

Contributions from Reserves: This category reflects the contributions from reserves or reserve funds for various projects identified within the budget

Other Revenues: This category includes revenues which do not fall under another category, such as fines

Expenses

Salaries and Benefits: This category consists of compensation for all employees, such as salaries, benefits, overtime, car allowance, clothing and boot allowance

Materials – Operating Expenses: This category includes items such as office supplies, salt and sand, asphalt, gravel,

insurance costs, telephone costs and other general expenses

Energy Costs: This category consists of water, hydro, and natural gas

Rent and Financial Expenses: This category includes bank charges, debit and credit card charges, cost of rental equipment and rent

Purchased/Contracted Services: This category consists of items that are outsourced, such as, but not limited to professional services

Debt Repayment: This category consists of interest on debt repayments to external parties

Grants – Transfer Payments: This category consists of any grants given to community groups, outside boards, and

levies from other organizations, such as, but not limited to Land Ambulance

Contributions to Reserves: This category reflects the contributions to reserves or reserve funds

Internal Recoveries: This line consists of allocations to each department for vehicle and equipment usage as well as IT support

What is Fund Accounting?

The Town prepares its financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP) established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. This means that the Town recognizes their revenues and expenses on an accrual basis, i.e. when the transaction, service or event occurs, and not when the payment is made or received. The Town, however, does not include a budget for amortization, post-employment benefits or solid waste landfill closure and post closure expenses, as permitted under Ontario Regulation 284/09, made under the *Municipal Act, 2001*.

Fund accounting makes use of three individual funds to prepare its financial information. Each fund is viewed as its own entity, with its own assets, debts, income and expenses. The use of funds helps to ensure that dedicated funds are used for their intended purpose, helping long-term planning.

There are three basic funds used by the municipality:

1. Capital Fund

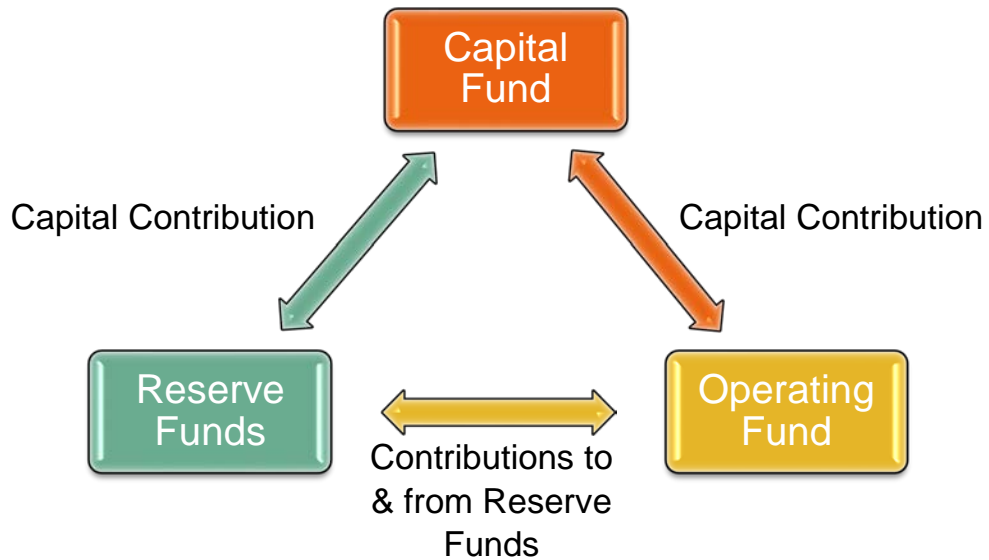
Records all capital expenditures and the method of funding these expenditures, whether by transfer from tax revenue for capital expenditures, reserves or reserve funds, grants or long-term borrowing

2. Operating Fund

Records all assets, debts, income and expenses that are not allocated to one of the either funds. Unrestricted revenues, e.g. property taxes, are recorded through the operating fund

3. Reserve Funds

Established to record the assets which are physically segregated and restricted to meet a specified purpose



Through the budget, resolutions or by-laws, Council provides staff with the required approval regarding the transfer of funds. The use of interfund transfers within the accounting system provides the accounting trail necessary to ensure that all direction has occurred. It is also for this reason that continuities of reserves and reserve funds are prepared

Reserve and Reserve Fund Definitions

Understanding Reserves and Reserve Funds

Reserves

A reserve is an allocation of accumulated net revenue that makes no reference to any specific asset and does not require the physical segregation of money. Reserves are part of the revenue fund, and therefore do not earn interest like a reserve fund.

Reserves are to be maintained to meet one of the following purposes of the Town:

Asset Replacement: established to smooth the spikes in capital budgets and smooth out property tax charges

Project Reserves: established to provide cost effective self-borrowing mechanisms to reduce risks associated with interest rate fluctuations

Economic Stability Reserves: established to buffer against significant fluctuations in the economy

Contingency Reserves: established to accommodate contingent, unfunded or known liabilities (where the amount is unknown) for current and/or future years

Working Fund Reserves: established to provide cash flow for operations to eliminate the requirement to borrow funds to meet immediate obligations

Self-Insurance Reserves: established to provide self-insurance provisions

Reserve Funds

A reserve fund is an asset physically segregated and restricted to meet a specified purpose. Reserve fund monies with the Town are invested in accordance with Ontario Regulation 438/97 Eligible Investments and Related Financial Agreements. All earnings, i.e. interest, on these investments must form part of the reserve fund.

Obligatory Reserve Funds

Established through terms of an agreement or through legislation

Reserve funds required by legislation or agreement to be segregated from the Town's general revenues for a special purpose or for works to be undertaken on behalf of the contributor. Obligatory reserve funds are created solely for the purpose that has been prescribed.

Discretionary Reserve Funds

Established through by-law

Reserve funds created at the discretion of Council whenever revenues are earmarked to finance future expenditures of a purpose designated by Council.

Creation of Reserves

Under the Town's Reserve and Reserve Fund Policy reserves can be established through:

- Including in the annual operating or capital budget which is approved by Council; or
- Through resolution of Council

When a reserve has been established, the budget document or resolution will clearly identify the name of the reserve being created and the purpose for the reserve. Amendments can be made through resolution.

Creation of Reserve Funds

Council, upon recommendation of the Director of Finance, may establish a discretionary reserve fund and shall establish an obligatory reserve fund.

The Town's Reserve and Reserve Fund policy indicates that a reserve fund can be recommended only if one or more of the following applies:

- A mandatory obligation exists, either pursuant to legislation or contract
- The funds are intended for purchasing or maintaining capital assets
- The funds are donated for a specific purpose
- The funds are intended to fund a future liability

A reserve fund can only be used for the identified purpose, unless Council amends or repeals the establishing by-law.

Reserve and Reserve Fund Movement

Transactions to and from reserves and reserve funds are approved through the budget process, or by specific resolution (for reserves) or by-laws (for reserve funds).

All actual contributions or withdrawals from reserves and reserve funds shall be clearly identified in the Town's accounting system, or through statements of continuity.

Interest Allocation

Reserve funds are maintained in an interest bearing, dedicated bank account or invested in accordance with the Town's approved investment policy. Interest earnings shall be credited to each separate reserve bank account that invested the funds. In the case where multiple reserve funds may be invested in one investment account, the interest shall be allocated to each reserve fund based on the actual balance invested.

Reserves shall not be invested, nor are they allocated any interest.

Reserves

Name	Purpose of Fund	Funding Sources
Big Sound Marina Reserve	To provide funding for capital replacement	<ul style="list-style-type: none"> • Contributions from divestiture
Building Replacement	To provide funding for the rehabilitation or replacement of the Town buildings and components thereof	<ul style="list-style-type: none"> • Contributions from the operating fund
Covid-19 Reserve	To provide funding for covid-19 pandemic costs and pressures	<ul style="list-style-type: none"> • Contributions from the provincial government related to covid-19
Cemetery and Columbaria	To provide funding for the purchase and installation of columbaria in Town Cemeteries	<ul style="list-style-type: none"> • Contributions from the operating fund
Economic Development	To provide funding for economic development initiatives	<ul style="list-style-type: none"> • Contributions from the operating fund
Emergency Capital Asset Replacement	To provide funding for unforeseen capital asset replacement	<ul style="list-style-type: none"> • Contributions from the operating fund • Government Funding • Sale of Town property
Emergency Services	To provide funding for service enhancements	<ul style="list-style-type: none"> • Contributions from the operating fund
Equipment Replacement	To provide funding for the replacement of machinery and equipment	<ul style="list-style-type: none"> • Contributions from the operating fund • Contributions from the dedicated capital levy
Facade Improvement Program	To provide funding for the façade improvement program run by the Town	<ul style="list-style-type: none"> • Contributions from the operating fund
Fleet Replacement	To provide funding for the replacement of the Town's fleet	<ul style="list-style-type: none"> • Contributions from the operating fund

Name	Purpose of Fund	Funding Sources
General Working	To provide working capital for the Town	<ul style="list-style-type: none"> • Contributions from the dedicated capital levy • General surplus
Health Unit Capital	To fund future District Health Capital costs	<ul style="list-style-type: none"> • Contributions from the operating fund
Industrial Development/Area Park	To fund future development at the Parry Sound Area Industrial Development Park	<ul style="list-style-type: none"> • Contributions from the operating fund
Infrastructure Replacement	To provide funding for the replacement or rehabilitation of the Town's road, sidewalk and storm sewer infrastructure	<ul style="list-style-type: none"> • Contributions from the operating fund • Contributions from the dedicated capital levy
IT Replacement	To provide funding for the purchase of IT infrastructure(hardware) and IT software	<ul style="list-style-type: none"> • Contributions from the operating fund • Contributions from the dedicated capital levy
LACAC Directory Sales	To provide funding for the Local Architectural Conservation Advisory Committee	<ul style="list-style-type: none"> • Contributions from the operating fund
Modernization Reserve	To fund projects recommended in the third party IT review	<ul style="list-style-type: none"> • Modernization funding from the provincial government
Municipal Elections	To fund future municipal election costs	<ul style="list-style-type: none"> • Contributions from the operating fund
Parks	To fund future capital replacement and program expansion for local parks	<ul style="list-style-type: none"> • Contributions from the operating fund
Planning Dept - OP review/legal	To fund legal interpretations of changes to the Official Plan	<ul style="list-style-type: none"> • Contributions from the operating fund

Name	Purpose of Fund	Funding Sources
Police Cost Stabilization	To fund future fluctuations in policing costs	<ul style="list-style-type: none"> • Unspent police funds in the annual budget
Salt management	To fund future salt storage needs	<ul style="list-style-type: none"> • Contributions from the operating fund
Stockey Centre - Capital	To fund future capital asset purchases for the Charles W. Stockey Centre	<ul style="list-style-type: none"> • Ticket surcharge
Tax Rate Stabilization	To fund tax revenue shortfalls, one-time expenditures, as well as other contingencies such as MPAC appeals	<ul style="list-style-type: none"> • General surplus
Transportation - Winter Control	To mitigate impact of heavy snowfalls on winter control expenditures	<ul style="list-style-type: none"> • Contributions from the operating fund • Unspent winter control funds
Waste Management and Landfill Decommissioning	To fund waste management and landfill rehabilitation costs	<ul style="list-style-type: none"> • Contributions from the operating fund
Wastewater Stabilization Reserve	To fund wastewater service operations and future capital asset replacement	<ul style="list-style-type: none"> • Annual surplus from wastewater user rates
Water Stabilization Reserve	To fund water service operations and future capital asset replacement	<ul style="list-style-type: none"> • Annual surplus from water user rates
WSIB	To fund the estimated costs and liabilities related to WSIB based on an actuarial valuation prepared by an independent firm. As the Town is a Schedule 2 employer under the Workplace Safety and Insurance Act and it assumes responsibility for financing its workplace safety and insurance costs.	<ul style="list-style-type: none"> • Contributions from the operating fund

Obligatory Reserve Funds

Name	Purpose of Fund	Funding Sources
Development Charges	To provide funding for capital expansion related to growth	<ul style="list-style-type: none"> • Collected from developers, enacted via by-law
Federal Gas Tax	For capital projects in accordance with Federal Gas Tax Agreement	<ul style="list-style-type: none"> • Contributions from the Government of Canada via AMO
Property Reserve Fund	To provide funding for parking lot development, sourced from developers	<ul style="list-style-type: none"> • Contributions under the Planning Act
Parkland Reserve Fund	To provide funding for park space development	<ul style="list-style-type: none"> • Contributions under the Planning Act
Provincial Gas Tax	For transit operations in accordance with Provincial Gas Tax	<ul style="list-style-type: none"> • Quarterly contributions from the Province, established annually

Discretionary Reserve Funds

Name	Purpose of Fund	Funding Sources
Bobby Orr Hall of Fame Reserve Fund	To provide support for the Bobby Orr Hall of Fame at Mr. Orr's discretion and Council approval	<ul style="list-style-type: none"> • Funded through the Samsung donation
BOHOF Scholarship	To fund an annual scholarship to a male and female graduating recipient of the Celebrating Youth Awards	<ul style="list-style-type: none"> • Donation from Ken Hadall & Doug Gilmour • Transfer from the Bobby Orr Golf Classic Reserve Fund
BOHOF Special Projects	To fund expenditures related to the Bobby Orr Hall of Fame	<ul style="list-style-type: none"> • Donations from the public • Budgeted contributions • Source approved by Council

Name	Purpose of Fund	Funding Sources
Capital Asset Legacy Reserve Fund	To provide a source of funding for expenditures related to the purchase of capital assets, excluding water and wastewater systems	<ul style="list-style-type: none"> • Contributions from the operating fund • Sale of property • Direction of Council
Capital Replacement Reserve	To provide a source of funding for expenditures related to the purchase of capital assets, excluding water and wastewater systems	<ul style="list-style-type: none"> • Contributions from the operating fund • Sale of property • Direction of Council
EMS Equipment and Capital Reserve Fund	To fund infrastructure, vehicle and equipment replacement for EMS	<ul style="list-style-type: none"> • Budget contributions determined using amortization expense
EMS Municipal Surplus Reserve Fund	To fund operations of Land Ambulance Service	<ul style="list-style-type: none"> • Annual surplus from operations • Funding from municipalities
Future Pool Reserve Fund	To provide funding for an aquatics centre	<ul style="list-style-type: none"> • Contributions from operating fund • Contributions from other municipalities • Contributions from donors
EMS Severance Reserve Fund	To fund severance costs for paramedics	<ul style="list-style-type: none"> • Provided by the Province • No current annual contributions
Municipal Parking Reserve Fund	To fund capital replacement of municipal parking lots and parking equipment	<ul style="list-style-type: none"> • Surplus from parking revenue and expenses
Smelter Wharf	To provide funding for capital repairs/replace at the Salt Dock (Smelter Wharf)	<ul style="list-style-type: none"> • Per the contractual agreement with SIFTO (surplus from rent)
Splash Pad	To provide a source of funding for a municipal splash pad	<ul style="list-style-type: none"> • Contributions from operating fund • Contributions from donors

Name	Purpose of Fund	Funding Sources
Treetops Community Forest	To provide a source of funding for the establishment of a park to be known as the Treetops Community Forest	<ul style="list-style-type: none"> • Contributions from donors
Sewer Development Reserve Fund	To provide a source of funding for wastewater infrastructure	<ul style="list-style-type: none"> • Capital surcharge and surplus from the wastewater rate payers
Water Development Reserve Fund	To provide source of funding for water infrastructure	<ul style="list-style-type: none"> • Capital surcharge and surplus from the water rate payers
West Parry Sound District Association Reserve Fund	To provide funding for the West Parry Sound District Association	<ul style="list-style-type: none"> • Contributions from West Parry Sound municipalities

Financial Policies

The Town of Parry Sound has approved several financial policies with the intent to provide consistency with how financial decisions are made. The following are major financial policies adopted by Council.

Budget and Financial Control

The budget outlines the service delivery and capital investment plans for the upcoming year. The proposed budget is balanced with revenues equaling expenses for the year and is tabled before Council for its review and adoption.

The policy provides a target range for **tax levy** increases based on the Consumer Price Index and negotiated wage increases. In the absence of a collective agreement, the 2021 range has been approved by Council at the October 20th meeting between 1.8% and 3.6% in addition to the dedicated 1.8% for capital.

Operating Surplus and Deficit

The budget is a document based on estimated revenues and expenditures that the Town will achieve, it is a plan to provide service and invest in capital assets. At the end of the year there is often a difference between what happened and what the plan was at the beginning of the year. Any surplus represents a one-time, non-recurring, source of revenue that can be used to increase reserves and reserve funds for future funding needs.

The Town has adopted a policy to apply surplus and deficit at the end of the year to reserves and reserve funds. This is a way to organically invest in reserves and reserve funds and build them for future use. The surplus is allocated as follows:

- 30% to the Tax Rate Stabilization Reserve
- 30% to the Capital Replacement Reserve Fund
- 10% to the Emergency Capital Asset Replacement Reserve
- The remaining amount to be at the discretion of the Director of Finance and approved by Council

The application of deficits is similar, with any deficits first funded by the Tax Rate Stabilization Reserve.

Procurement and Purchasing

The Procurement and Purchasing By-law provides a system for the procurement of goods and services for the Town. It outlines the responsibilities and authorities for purchasing goods and services. It also outlines when certain procurement processes

(Request for Proposal, Request for Tender, Request for Quotation, etc.) are required based on the type of purchase as well as the dollar value of the purchase.

Capital Financing and Debt Management

Capital Financing and Debt Management establishes objectives, standards of care, authorized financing instruments, reporting requirements and responsibilities for the prudent financing of the Town's operating and infrastructure needs.

Capital financing and debenture practices will be responsive and fair to the needs of both current and future ratepayers and will be reflective of the underlying life cycle and nature of the expenditure. Any debt taken on will not exceed 40 years and will not be any shorter than the useful life of the asset purchased. The Town is also restricted to the legislated Annual Repayment Limit.

The policy restricts using debt financing for rolling-stock, except for leasing vehicles, or for assets which have useful lives less than 10 years.

Investment

This policy establishes guidelines for municipal investments and to ensure compliance with applicable legislation. The Treasurer reports to Council on an annual basis the Town's adherence with this policy.

The objectives of this policy are to ensure:

- Adherence to statutory requirements
- Preservation and security of capital
- Maintenance of necessary liquidity
- Realizing a competitive rate of return

The investment portfolio shall remain sufficiently liquid to meet all operating or cash flow requirements and limit temporary borrowing requirements. The Town's investments currently primarily consist of interest-bearing bank accounts held in a Canadian chartered bank and approved investment portfolios.

Payables and Payments

To ensure control over payments and payables, the Town has approved the Accounts Payable and Payment Policy to establish the responsibilities, controls, authorizations, and procedures for the accurate and timely payment of invoices and cheque requisitions processed by Accounts Payable.

The Town has approved the use of Electronic Funds Transfer as an acceptable form of payment and will be transitioning to the use of EFT for payables to reduce fraud risk, reduce mailing costs, and improve the timeliness of payments.

Donations

As a municipality, the Town of Parry Sound is a qualified donee for Canadian income tax purposes. The Town can issue “official income tax receipts” as prescribed by the Canada Revenue Agency (CRA). To be a donation there must be an intention to give, a delivery and an acceptance and it must be voluntary with no expectation of return.

Donations that qualify for an official tax receipt generally include:

- Cash
- Capital, real or depreciable property
- Personal-use property, works of art, jewelry, rare books, stamps or coins
- A leasehold interest or residual interest in a real property
- Donations of life insurance properties
- Donations made under a will

The following items are not qualified donations per the policy:

- Contributions of skill or time
- Payment of a basic fee for admission to an event
- When the donor requests that the Town pay for a portion of the donation
- When a donor has directed the funds to a specific person or family
- Donations that have a direct benefit to the donor or a relative of the donor
- Donations made in exchange for consideration of a right, privilege, material benefit such as promotion or advertising

Where the donor’s company name, logo, slogan, and/or address is listed in promotional material would not qualify.

Appendix A

Changes Post April 6th, 2021 Council Meeting

During the special meeting of Council on April 6, 2021 there were some adjustments to the budget approved and direction received on some items. The purpose of this appendix is to provide members of the Public and Council with any adjustments as well as the supplementary information requested.

Approved Budget Changes

Council's decisions to date are:

- Keep the increase in the annual contribution to the Parry Sound Public Library in the amount of \$6,150 resulting in a total contribution of \$ 211,150;
- Approve an increase in the annual contribution to the West Parry Sound District Museum in the amount of \$2,000 and resulting in a total contribution of \$ 35,076;
- Net additions of \$13,200 through the approval of the Tower Hill Children's Garden and Georgian Bay Forever Plastic 2.0 Seabin and Educational campaign (pg. 44-45);
- Council directed CAO Clayton Harris to bring forward a resolution to set aside in reserve \$20,000 using the Gas Tax Fund (which is now under a new name) for area redevelopment when a detailed proposal for the area is provided, and funding partnerships and the long-term intentions of Sail Parry Sound with respect to its lease (which expires in approximately four years) are known; and
- Confirmation of a contribution of \$6,000 towards Park to Park.

Rotary Sunset Trail Remediation

Background Information

A request from Sail Parry Sound and other members of the public for remediation of erosion on the Rotary Sunset Trail. The initial cost estimate of \$20,000 for repair is believed to insufficient to effectively repair the damage to prevent future deterioration.

Further, the Town’s lease agreement with Sail Parry Sound stipulates that the organization is responsible for maintenance in the area. Recognizing that the repair of the trail may require further fundraising and contributions from community organizations, the Town Council has directed staff to prepare a Resolution for the next Council meeting with respect to the funding request and to consider funding up to \$20,000 from gas tax funds.

Bowes and Pine Street Intersection

Background Information

At the April 6th, 2021 meeting, Council requested that an investigation of project requirements and a funding source for increased lighting for Bowes & Pine Street intersection be provided.

Staff continue to investigate options at the intersection and will bring a separate report and funding recommendation forward per Council direction as soon as possible.

Summary of Required Tax Levy and Changes

	2021 Budget Draft	Adjustments Apr 6, 2021	Revised 2021 Budget
Operating Budget	\$ 9,963,114	\$ 13,526	\$ 9,976,640
Capital Budget - Dedicated 2021 Levy	1,732,179	-	1,732,179
Capital Budget - Projects	-	-	-
Net Operating Tax Levy Required	\$ 11,695,293	\$ 13,526	\$ 11,708,819

Impact on the Ratepayer – Municipal Taxes

The 2021 budget now requires a total of \$11,708,819 in municipal taxes. 2020 taxation revenues plus assessment growth raises a total of \$11,379,214, requiring the Town to raise additional property taxes, of \$329,605.

To raise the additional funds, there is a necessary increase of 2.58% over 2020 property tax rates, 1.8% is for infrastructure and 0.78% is for operating.

Update to Reserve Schedules

Federal Gas Tax Reserve Fund

Purpose: For capital projects in accordance with Federal Gas Tax Agreement

Item	Dec 31/19 Balance	Dec 31/20 Estimated Balance	Transfers In per Budget	Transfers Out per Budget	Dec 31/21 Estimated Balance
Unassigned	\$ 390,574	-	\$ 797,204	\$(426,461)	\$ 370,743
Rotary Sunset Trail Remediation	-	-	\$20,000	-	\$20,000
	\$ 390,574	-	\$ 817,204	\$(426,461)	\$ 390,743

2021 Contributions

- 2021 Federal Gas Tax Contribution \$ 797,204

2021 Withdrawals

- Annual Road Paving Capital \$ 406,461
- Allocate to Rotary Sunset Trail (\$20,000)

2021 Allocations

- Allocate to Rotary Sunset Trail \$ 20,000