



# Corporate Accounts

2021 Draft Operating Budget

Budget Committee of the Whole



# **CITY OF RICHMOND HILL**

## **2021 Draft Budget**

### **CORPORATE REVENUES & EXPENDITURES**

2021 Draft Budget Submitted and Reviewed by:

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Director, Financial Services & Treasurer



# Corporate Accounts 2021 Draft Budget

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## Corporate Accounts

### Overview

This budget area provides a consolidation of revenues and expenditures, which are corporate-wide rather than department specific. They include the City's annual revenues from supplementary taxation, payments in lieu of taxes, investment income, tax arrears penalties, and transfers from other funds. Expenditures include the annual contribution to the repair and replacement reserve funds, provisions for tax assessment appeal, other adjustments and grants. The net total funding / revenue sources provide significant offsets to the City's total operating costs.

This program is separate from, but accounted for by the Corporate & Financial Services Department.

The 2021 Draft Budget for the Corporate Accounts is a net expense of \$1,165,200 before taxation. The 2021 Draft Taxation Revenue is \$126,368,800.

	2019 Actuals	Preliminary Actuals at Nov 30, 2020	2020 Approved Budget	2021 Draft Budget	Variance (Favourable) / Unfavourable	
<b>Expenditures</b>						
Corporate Accounts	\$ 16,352,000	\$ 13,825,335	\$ 13,352,400	\$ 15,130,500	\$ 1,778,100	
Grants	414,109	342,981	403,000	412,600	9,600	
BIA Village of RH	116,495	130,000	115,900	100,000	(15,900)	
<b>Total Expenditures</b>	<b>\$ 16,882,604</b>	<b>\$ 14,298,316</b>	<b>\$ 13,871,300</b>	<b>\$ 15,643,100</b>	<b>\$ 1,771,800</b>	<b>12.8%</b>
<b>Revenues</b>						
Corporate Accounts	(17,495,106)	(8,324,896)	(14,987,400)	(14,297,900)	689,500	
Grants	(60,468)	(16,483)	(80,000)	(80,000)	-	
BIA Village of RH	(116,495)	(130,000)	(115,900)	(100,000)	15,900	
<b>Total Revenues</b>	<b>\$ (17,672,069)</b>	<b>\$ (8,471,379)</b>	<b>\$ (15,183,300)</b>	<b>\$ (14,477,900)</b>	<b>\$ 705,400</b>	<b>(4.6%)</b>
<b>Net</b>						
Corporate Accounts	(1,143,106)	5,500,438	(1,635,000)	832,600	2,467,600	
Grants	353,641	326,498	323,000	332,600	9,600	
BIA Village of RH	-	-	-	-	-	
<b>Net Budget before Taxation</b>	<b>\$ (789,465)</b>	<b>\$ 5,826,936</b>	<b>\$ (1,312,000)</b>	<b>\$ 1,165,200</b>	<b>\$ 2,477,200</b>	<b>(188.8%)</b>
<b>Net Budget Taxation</b>	<b>\$ (120,053,407)</b>	<b>\$ (123,201,678)</b>	<b>\$ (123,716,600)</b>	<b>\$ (126,368,800)</b>	<b>\$ (2,652,200)</b>	
<b>Net Budget</b>	<b>\$ (120,842,873)</b>	<b>\$ (117,374,742)</b>	<b>\$ (125,028,600)</b>	<b>\$ (125,203,600)</b>	<b>\$ (175,000)</b>	<b>0.1%</b>



# Corporate Accounts 2021 Draft Budget

## Corporate Revenues & Expenditures

Corporate Revenues provide for revenues, which are corporate in nature and are not department specific. They include payments-in-lieu of taxes from the Federal and Provincial Governments, and institutional levies in accordance with the Municipal Act. Investment income, tax arrears penalties and transfers from other municipal funds are also included.

Corporate Expenditures provide for expenditures, which are corporate in nature and are not department specific. They include the City's annual contribution to the infrastructure repair and replacement reserve funds, provisions for tax assessment appeal and other adjustments.

	2019 Actuals	Preliminary Actuals at Nov 30, 2020	2020 Approved Budget	2021 Draft Budget	Variance (Favourable) / Unfavourable	
<b>Expenditures</b>						
Personnel Contingency Account	\$ -	\$ -	\$ 237,100	\$ 1,167,900	\$ 930,800	
Gapping Vacancy Factor	-	-	(1,165,000)	(1,165,000)	-	
Retiree Benefits	261,206	207,367	240,000	240,000	-	
Professional Fees - O.M.B	83,810	431,293	200,000	200,000	-	
Credit Card, Bank Fees and ADP Payroll Charges	449,941	193,382	290,000	175,000	(115,000)	
General Contracts	238,625	153,521	40,000	40,000	-	
Provision for Assessment Adjustments & Rebate	264,484	804,152	400,000	400,000	-	
Transfer to Reserves	2,010,331	-	-	-	-	
Transfer to Infrastructure Reserves Funds	8,557,582	9,492,500	10,356,200	11,081,700	725,500	
Cash to Capital RF Allocation	2,429,947	2,364,400	2,579,500	2,815,400	235,900	
Other Expenditures	2,056,075	178,720	174,600	175,500	900	
<b>Total Expenditures</b>	<b>\$ 16,352,000</b>	<b>\$ 13,825,335</b>	<b>\$ 13,352,400</b>	<b>\$ 15,130,500</b>	<b>\$ 1,778,100</b>	<b>13.3%</b>
<b>Revenues</b>						
Investment Income	(4,990,000)	(1,079,721)	(5,050,000)	(4,200,000)	850,000	
Tax Arrears - Penalties & Int.	(4,268,959)	(1,062,035)	(3,500,000)	(4,089,800)	(589,800)	
Transfer from Capital fund	(751,443)	(920,200)	(1,003,900)	(785,700)	218,200	
Transfer from Tax Rate Stabilization Reserve	(444,800)	-	-	-	-	
Transfer from Other Funds	(3,577,800)	(3,738,100)	(4,077,800)	(4,077,800)	-	
Transfer from OMB Reserve	(82,533)	(200,000)	(200,000)	(200,000)	-	
Transfer from Reserve Funds	(1,355,169)	-	-	-	-	
EBC Tenants Base Rent	(172,896)	(164,698)	(179,300)	(98,200)	81,100	
Payments in Lieu of Taxes	(1,196,271)	(813,197)	(505,600)	(525,600)	(20,000)	
Opening Surplus	(119,000)	(156,800)	-	-	-	
Other Miscellaneous	(536,236)	(190,145)	(470,800)	(320,800)	150,000	
<b>Total Revenues</b>	<b>\$ (17,495,106)</b>	<b>\$ (8,324,896)</b>	<b>\$ (14,987,400)</b>	<b>\$ (14,297,900)</b>	<b>\$ 689,500</b>	<b>(4.6%)</b>
<b>Net Budget</b>	<b>\$ (1,143,106)</b>	<b>\$ 5,500,438</b>	<b>\$ (1,635,000)</b>	<b>\$ 832,600</b>	<b>\$ 2,467,600</b>	<b>(150.9%)</b>



# Corporate Accounts 2021 Draft Budget

	2020 Approved Budget	Base	Legislated	New/Growth Staff & Programs	Unsustainable Revenue Sources	2021 Draft Budget
<b>Expenditures</b>						
Personnel Contingency Account	\$ 237,100	\$ 930,800	\$ -	\$ -	\$ -	\$ 1,167,900
Gapping Vacancy Factor	(1,165,000)	-	-	-	-	(1,165,000)
Retiree Benefits	240,000	-	-	-	-	240,000
Professional Fees - O.M.B	200,000	-	-	-	-	200,000
Credit Card, Bank Fees and ADP Payroll Charges	290,000	(115,000)	-	-	-	175,000
General Contracts	40,000	-	-	-	-	40,000
Provision for Assessment Adjustments & Rebate	400,000	-	-	-	-	400,000
Transfer to Infrastructure Reserves Funds	10,356,200	(218,200)	-	-	943,700	11,081,700
Cash to Capital RF Allocation	2,579,500	-	-	-	235,900	2,815,400
Other Expenditures	174,600	900	-	-	-	175,500
<b>Total Expenditures</b>	<b>\$ 13,352,400</b>	<b>\$ 598,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,179,600</b>	<b>\$ 15,130,500</b>
<b>Revenues</b>						
Investment Income	\$ (5,050,000)	\$ -	\$ -	\$ -	\$ 850,000	(4,200,000)
Tax Arrears - Penalties & Int.	(3,500,000)	(589,800)	-	-	-	(4,089,800)
Transfer from Capital fund	(1,003,900)	218,200	-	-	-	(785,700)
Transfer from Other Funds	(4,077,800)	-	-	-	-	(4,077,800)
Transfer from OMB Reserve	(200,000)	-	-	-	-	(200,000)
EBC Tenants Base Rent	(179,300)	81,100	-	-	-	(98,200)
Payments in Lieu of Taxes	(505,600)	(20,000)	-	-	-	(525,600)
Other Miscellaneous	(470,800)	-	-	-	150,000	(320,800)
<b>Total Revenues</b>	<b>\$ (14,987,400)</b>	<b>\$ (310,500)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ (14,297,900)</b>
<b>Net Budget</b>	<b>\$ (1,635,000)</b>	<b>\$ 288,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,179,600</b>	<b>\$ 832,600</b>

- Personnel Contingency Account expenditures increased by \$930,800 to provide for the potential corporate impact of collective bargaining negotiations, employee benefits adjustments and other personnel matters
- The City no longer incurs ADP charges as a result of the transition to the new ERP system, which has resulted in a budget reduction of \$115,000.
- Budget for Transfer to the Infrastructure Repair & Replacement Reserve Fund and Cash to Capital allocation increased by \$1,179,600 reflective of the 1% increase in Capital Asset Sustainability Levy.
- Investment Income budget decreased by \$850,000 due to expected lower returns on short-term investments reflective of a continued low interest environment. This is the second year of a three year phased reduction.
- Penalties & Interest revenues were increased by \$589,800 based on historical trend.
- EBC rent revenue decreased by \$81,100 as a result of expected vacancies at head office.
- Reduction of Transfer from Training & Development Reserve by \$150,000, which has been identified as an unsustainable funding source

## Grants

The City offers corporate grants to the community in support of various initiatives. The 2021 operating budgets for the grants are summarized in the below table.

	2019 Actuals	Preliminary Actuals at Nov 30, 2020	2020 Approved Budget	2021 Draft Budget	Variance (Favourable) / Unfavourable	
<b>Expenditures</b>						
Municipal Grants	\$ 19,288	\$ -	\$ -	\$ -	\$ -	
Ann Gold Community Spirit	5,000	-	5,000	5,000	-	
Heritage Grants	10,468	16,483	30,000	30,000	-	
Road Watch Grants	3,500	3,500	3,500	3,500	-	
Senior Tax Assistance Grants	275,853	322,998	264,500	274,100	9,600	
RH Mobility Grant	50,000	-	50,000	50,000	-	
Transfers to Other Funds	50,000	-	50,000	50,000	-	
<b>Total Expenditures</b>	<b>\$ 414,109</b>	<b>\$ 342,981</b>	<b>\$ 403,000</b>	<b>\$ 412,600</b>	<b>\$ 9,600</b>	
<b>Revenues</b>						
Reserve and Reserve Funds	(60,468)	(16,483)	(80,000)	(80,000)	-	
<b>Total Revenues</b>	<b>\$ (60,468)</b>	<b>\$ (16,483)</b>	<b>\$ (80,000)</b>	<b>\$ (80,000)</b>	<b>\$ -</b>	
<b>Net Levy Requirement</b>	<b>\$ 353,641</b>	<b>\$ 326,498</b>	<b>\$ 323,000</b>	<b>\$ 332,600</b>	<b>\$ 9,600</b>	<b>3.0%</b>

### Ann Gold Scholarships

This grant program was developed to recognize the importance of youth to the future of our community. The purpose of the annual program is to recognize graduating high school students who exemplify "Community Spirit" and to celebrate their achievements. Community Spirit is defined as students who take pride in their community, actively participate in school life, volunteer within the City and are role models for both their peers and younger students. The purpose of the scholarship is to assist with the cost of post secondary education.

Up to five scholarships for \$1,000 each are awarded to students who live in the City of Richmond Hill and are in their last year of high school pursuing a post-secondary education. These students must reside in the Town however; they may attend any high school, including those not located in Richmond Hill. This program is currently administered through the Mayor and Councillors' office.

### Heritage Grant

The Heritage Grant program is a program to promote heritage conservation of properties and buildings throughout the Town. The City of Richmond Hill existing heritage program was established in 1988 to encourage local residents to repair and preserve heritage resources and promote good conservation practices by providing grants to assist with lowering the cost associated with conservation work.

### Road Watch Grant

The Road Watch Program is a community-based initiative supported by the City of Richmond Hill and York Regional Police to address aggressive and dangerous driving on public roads. The program raises awareness in the community that any member of the public can report any instance of aggressive and dangerous driving through the York Regional Police website and the reporting process is anonymous.

### Seniors Tax Assistance

The 2020 budget approved a \$404 grant to Senior Homeowners. To be eligible for the Tax Assistance program the individual must have been a Richmond Hill resident for at least one year prior to the date of application and must be the assessed owner or spouse of the subject property. The applicant must also be in receipt of the Guaranteed Income Supplement as provided under the Old Age Securities Act (Canada). The grant is indexed to tax rate increases set by the City (for 2021, a 0.5% increase to \$406). Beginning in 2018, the cost of the grants was shared between the City and the school boards, with the City assuming 75% of the total costs.

### Disability Initiative Grant

The City of Richmond Hill has a parking offense fine for illegal parking in handicapped parking spots of \$350 per incident without a permit, of which \$50K of these revenues are allocated to the Disabled Parking Reserve. Annually Council grants these funds towards Mobility Initiatives in the City based on application.





# Corporate Accounts 2021 Draft Budget

## Taxation

The City of Richmond Hill is responsible for setting its own tax rate and collecting taxes for the Regional Municipality of York and Education levies as prescribed by the Province of Ontario. Only the Municipal Levy is included in the City's budget.

	2019 Actuals	Preliminary Actuals at Nov 30, 2020	2020 Approved Budget	2021 Draft Budget	Variance (Favourable) / Unfavourable	
<b>Revenues</b>						
Property Taxes	\$ (113,955,512)	\$ (116,860,185)	\$ (116,894,500)	\$ (117,956,300)	\$ (1,061,800)	
Supplementary Taxes	(1,866,295)	(949,393)	(1,430,000)	(1,840,800)	(410,800)	
Capital Asset Sustainability Levy	(4,231,600)	(5,392,100)	(5,392,100)	(6,571,700)	(1,179,600)	
<b>Net Budget</b>	<b>\$ (120,053,407)</b>	<b>\$ (123,201,678)</b>	<b>\$ (123,716,600)</b>	<b>\$ (126,368,800)</b>	<b>\$ (2,652,200)</b>	<b>2.1%</b>

	2020 Approved Budget	Base	Legislated	New/Growth Staff & Programs	Special Levy	2021 Draft Budget
<b>Revenues</b>						
Property Taxes	\$ (116,894,500)	\$ -	\$ -	\$ (1,061,800)	\$ -	\$ (117,956,300)
Supplementary Taxes	(1,430,000)	-	-	(410,800)	-	(1,840,800)
Capital Sustainability Special Levy	(5,392,100)	-	-	-	(1,179,600)	(6,571,700)
<b>Net Budget</b>	<b>\$ (123,716,600)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,472,600)</b>	<b>\$ (1,179,600)</b>	<b>\$ (126,368,800)</b>

- Property assessment growth is estimated at 0.91% and is reflected of the Property Tax Revenue under Growth
- Supplementary taxes are for in-year renovations & improvements and have increased by \$410,800 based on historical trend and anticipated continued growth in the upcoming year
- In the 2016 budget, Council approved a Capital Asset Sustainability Levy to fund for increased contribution to the City's Capital Reserve Funds. Ten-year strategy to increase fees by approximately 1% annually. The 2021 proposed rate would generate approximately \$1,179,600 in additional revenues.