



**CORPORATE ACCOUNTS
2023 DRAFT OPERATING BUDGET**

Published January 23, 2023

TABLE OF CONTENTS

TABLE OF CONTENTS..... 2
CORPORATE ACCOUNTS..... 3
GRANTS..... 9
TAXATION 11

CORPORATE ACCOUNTS

WHO?

This budget area provides a consolidation of revenues and expenditures, which are corporate-wide rather than department specific.

WHAT?

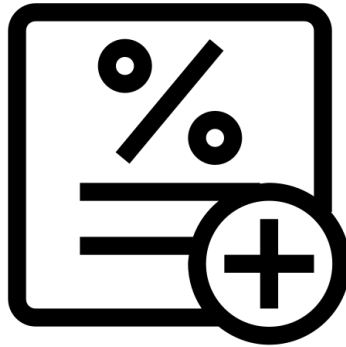
The Corporate Accounts include the City's annual revenues from supplementary taxation, payments in lieu of taxes, investment income, tax arrears penalties, and transfers from other funds. In addition, the expenditures include the annual contribution to the repair and replacement reserve funds, provisions for tax assessment appeal, other adjustments and grants. The net total funding / revenue sources provide significant offsets to the City's total operating costs.

HOW?

This program is separate from, but accounted for by the Corporate and Financial Services Department. Payments-in-lieu of taxes are received through the Federal and Provincial Governments and institutional levies are in accordance with the Municipal Act.



METRICS



Year-to-date investment portfolio return at 2.16%,
as at Sept 30, 2022



1,176 property tax assistance grants issued to seniors



Property Assessment Growth at 1.61% in 2022,
versus 1.47% in 2021

FINANCIALS

2023 Corporate Accounts Budget Highlights by Section

Budget Category	2021 Actuals	Preliminary Actuals at Oct 31, 2022	2022 Approved Budget	2023 Draft Budget	Variance (Favourable) / Unfavourable	% Change
Corporate Accounts	\$19,270,642	\$14,494,959	\$17,112,500	\$19,417,700	\$2,305,200	
Grants	477,174	468,942	475,100	521,400	46,300	
BIA Village of RH	99,742	97,309	100,000	100,000	0	
Total Expenditures	\$19,847,558	\$15,061,211	\$17,687,600	\$20,039,100	\$2,351,500	13.3%
Corporate Accounts	(15,187,393)	(13,740,757)	(14,564,000)	(19,536,500)	(4,972,500)	
Grants	(77,100)	(58,842)	(80,000)	(80,000)	0	
BIA Village of RH	(99,742)	(97,309)	(100,000)	(100,000)	0	
Total Revenues	(\$15,364,235)	(\$13,896,908)	(\$14,744,000)	(\$19,716,500)	(\$4,972,500)	33.7%
Corporate Accounts	4,083,249	754,203	2,548,500	(118,800)	(2,667,300)	
Grants	400,074	410,100	395,100	441,400	46,300	
BIA Village of RH	0	0	0	0	0	
Net Budget before Taxation	\$4,483,323	\$1,164,303	\$2,943,600	\$322,600	(\$2,621,000)	(89.0%)
Net Budget Taxation	(125,761,367)	(128,255,011)	(129,305,000)	(132,442,200)	(3,137,200)	
Net Budget	(\$121,278,044)	(\$127,090,708)	(\$126,361,400)	(\$132,119,600)	(\$5,758,200)	4.6%

FINANCIALS

2023 Corporate Accounts Budget Highlights

Budget Category	2021 Actuals	Preliminary Actuals at Oct 31, 2022	2022 Approved Budget	2023 Draft Budget	Variance (Favourable) / Unfavourable	% Change
Personnel Contingency Account	\$0	\$0	\$0	\$831,500	\$831,500	
Gapping Vacancy Factor	0	0	(1,165,000)	(1,474,300)	(309,300)	
Retiree Benefits	345,089	415,983	330,000	480,000	150,000	
Insurance Premiums (minus recoveries)	1,340,619	1,293,360	1,769,900	1,537,200	(232,700)	
Professional Fees - O.M.B	238,352	90,985	200,000	200,000	0	
Credit Card, Bank and Payroll Charges	104,049	174,264	155,000	155,000	0	
General Contracts	138,636	95,065	40,000	40,000	0	
Assessment Adjustments & Rebates	847,805	374,531	400,000	400,000	0	
Transfer to Reserves	660,127	0	0	0	0	
Transfer to WSIB Reserve Fund	387,764	0	0	86,000	86,000	
Transfer to Infrastructure Reserves Fund	11,063,402	9,378,000	12,133,500	13,710,500	1,577,000	
Transfer to Cash to Capital Reserve Fund	2,815,400	2,546,000	3,054,800	3,298,000	243,200	
Transfer to Tax Adj Stab Reserve	0	15,700	18,800	18,800	0	
Other Expenditures	1,329,400	111,072	175,500	135,000	(40,500)	
Total Expenditures	\$19,270,642	\$14,494,959	\$17,112,500	\$19,417,700	\$2,305,200	13.5%
Investment Income	(1,579,497)	(2,511,578)	(3,775,000)	(6,400,000)	(2,625,000)	
Transfer to Tax Rate Stab Reserve	0	0	0	1,355,000	1,355,000	
Tax Arrears - Penalties & Int.	(5,976,875)	(4,987,498)	(4,389,800)	(4,789,800)	(400,000)	
Transfer from Capital fund	(767,402)	(733,400)	(880,100)	(1,484,300)	(604,200)	
Transfer from Other Funds	(4,077,800)	(3,674,000)	(4,408,700)	(4,526,800)	(118,100)	
Transfer from OMB Reserve	0	(90,985)	(200,000)	(200,000)	0	
Transfer from CEEV Reserve Fund	0	0	0	(49,200)	(49,200)	
Transfer from Reserve Funds	(783,293)	0	0	0	0	
EBC Tenants Base Rent	(89,336)	(46,064)	(59,000)	(59,000)	0	
Payments in Lieu of Taxes	(1,148,348)	(1,142,635)	(530,600)	(561,600)	(31,000)	
Grants - Ontario	0	0	0	(2,500,000)	(2,500,000)	
Opening Surplus	0	(340,200)	0	0	0	
Other Miscellaneous	(764,841)	(214,397)	(320,800)	(320,800)	0	
Total Revenues	(\$15,187,393)	(\$13,740,757)	(\$14,564,000)	(\$19,536,500)	(\$4,972,500)	34.1%
Net Budget	\$4,083,249	\$754,203	\$2,548,500	(\$118,800)	(\$2,667,300)	(104.7%)

FINANCIALS

2023 Corporate Accounts Budget Highlights by Budget Category

Budget Category	2022 Approved Budget	Base Legislated	Annualization	New/Growth Staff & Programs	Unsustainable Revenue Sources	2023 Draft Budget
Personnel Contingency Account	\$0	\$831,500	\$0	\$0	\$0	\$831,500
Gapping Vacancy Factor	(1,165,000)	(309,300)	0	0	0	(1,474,300)
Retiree Benefits	330,000	150,000	0	0	0	480,000
Insurance Premiums (minus recoveries)	1,769,900	(232,700)	0	0	0	1,537,200
Professional Fees - O.M.B	200,000	0	0	0	0	200,000
Credit Card, Bank and Payroll Charges	155,000	0	0	0	0	155,000
General Contracts	40,000	0	0	0	0	40,000
Assessment Adjustments & Rebates	400,000	0	0	0	0	400,000
Transfer to WSIB Reserve Fund	0	86,000	0	0	0	86,000
Transfer to Infrastructure Reserves Fund	12,133,500	604,200	0	0	972,800	13,710,500
Transfer to Cash to Capital Reserve Fund	3,054,800	0	0	0	243,200	3,298,000
Transfer to Tax Adj Stab Reserve	18,800	0	0	0	0	18,800
Other Expenditures	175,500	(40,500)	0	0	0	135,000
Total Expenditures	\$17,112,500	\$1,089,200	\$0	\$0	\$0	\$1,216,000
Investment Income	(3,775,000)	(2,625,000)	0	0	0	(6,400,000)
Transfer from Tax Rate Stabilization Reserve	0	1,355,000	0	0	0	1,355,000
Tax Arrears - Penalties & Int.	(4,389,800)	(400,000)	0	0	0	(4,789,800)
Transfer from Capital Fund	(880,100)	(604,200)	0	0	0	(1,484,300)
Transfer from WWW Fund	(4,408,700)	(118,100)	0	0	0	(4,526,800)
Transfer from OMB Reserve	(200,000)	0	0	0	0	(200,000)
Transfer from CEEV Reserve	0	(49,200)	0	0	0	(49,200)
EBC Tenants Base Rent	(59,000)	0	0	0	0	(59,000)
Payments in Lieu of Taxes	(530,600)	(31,000)	0	0	0	(561,600)
Grants - Ontario	0	0	0	0	(2,500,000)	(2,500,000)
Other Miscellaneous	(320,800)	0	0	0	0	(320,800)
Total Revenues	(\$14,564,000)	(\$2,472,500)	\$0	\$0	\$0	(\$19,536,500)
Net Budget	\$2,548,500	(\$1,383,300)	\$0	\$0	\$0	(\$118,800)

VARIANCE DRIVERS

Accounts	Variance (\$)	Variance (%)	Drivers (Explanation)
Personnel Contingency Account	\$831,500	0.0%	Budget reflects corporate staffing matters. The increase is due to the potential corporate impact of collective bargaining negotiations
Gapping Vacancy Factor	(\$309,300)	26.5%	Increase in gapping budget consistent with historical trend
Retiree Benefits	\$150,000	45.5%	Retiree benefits include health and dental benefits for eligible retirees. Budget increase reflects current complement of eligible retirees and anticipated additions in 2023
Insurance Premiums (minus recoveries)	(\$232,700)	-13.1%	Decrease based on negotiated rates and increase in insurance deductible levels
Transfer to WSIB Reserve Fund	\$86,000	0.0%	Budget increase to maintain reserve fund and account for anticipated funding requirements
Transfer to Infrastructure Reserves Fund	\$1,577,000	13.0%	Increase in transfer to reserve fund reflective of the 1% increase to the Capital Asset Sustainability Levy (80%), in addition to capital funding of non-growth salaries
Transfer to Cash to Capital Reserve Fund	\$243,200	8.0%	Increase in transfer to reserve fund reflective of the 1% increase to the Capital Asset Sustainability Levy (20%)
Other Expenditures	(\$40,500)	-23.1%	Reduction in employee recognition budgets
Total Expenditures	\$2,305,200	13.5%	-
Investment Income	(\$2,625,000)	69.5%	Investment income increase due to higher expected returns on short-term investments, reflective of more aggressive rate increases than initially expected from Bank of Canada. This is in response to more persistent inflationary pressures and expected to result in a higher for longer interest rate environment
Transfer to Tax Rate Stab Reserve	\$1,355,000	0.0%	Transfer to Tax Rate Stabilization Reserve is related to the investment income strategy. By leveraging the higher interest rate in 2023, the City will set aside funds into the reserve to offset future tax rate impact
Tax Arrears - Penalties & Int.	(\$400,000)	9.1%	Budget for penalties & interest revenues, on late property tax payments, increased by \$400,000 based on historical trend
Transfer from Capital fund	(\$604,200)	68.7%	Increase in capital funding of non-growth salaries based on increase in the draft 2023 tax supported capital budget requests
Transfer from Other Funds	(\$118,100)	2.7%	Transfers from WWW Fund budget increase of \$118,100 are related to transfers from the Water and Wastewater Fund for City incurred expenses on behalf of Water, Wastewater and Stormwater operations
Transfer from CEEV Reserve Fund	(\$49,200)	0.0%	This transfer is from the Community Enhancement & Economic Vitality Reserve Fund and is used to offset the potential impact of eligible employees, from collective bargaining negotiations
Payments in Lieu of Taxes	(\$31,000)	5.8%	Eligible properties that are exempt from property taxation, may instead make payments in lieu of taxes. Budget increase reflects forecasted collections in the upcoming year
Grants - Ontario	(\$2,500,000)	0.0%	In 2020 & 2021, as part of the Safe Restart Agreement (SRA), the City of Richmond Hill received federal and provincial funding to assist with Covid-19 operating costs, revenue losses and other pressures. The City will incorporate \$2.5 million in remaining funding into the 2023 Operating Budget
Total Revenues	(\$4,972,500)	34.1%	-

GRANTS

The City offers corporate grants to the community in support of various initiatives. The 2023 operating budgets for the grants are summarized in the below table.

2023 Grants Budget Highlights

Budget Category	2021 Actuals	Preliminary Actuals at Oct 31, 2022	2022 Approved Budget	2023 Draft Budget	Variance (Favourable) / Unfavourable	% Change
Ann Gold Community Spirit	0	0	5,000	5,000	0	
Heritage Grants	27,100	8,842	30,000	30,000	0	
Road Watch Grants	3,500	3,500	3,500	3,500	0	
Senior Tax Assistance Grants	346,574	356,600	336,600	382,900	46,300	
RH Mobility Grant	50,000	50,000	50,000	50,000	0	
Transfers to Other Funds	50,000	50,000	50,000	50,000	0	
Total Expenditures	477,174	468,942	475,100	521,400	46,300	
Reserve and Reserve Funds	(77,100)	(58,842)	(80,000)	(80,000)	0	
Total Revenues	(77,100)	(58,842)	(80,000)	(80,000)	0	
Net Levy Requirement	400,074	410,100	395,100	441,400	46,300	11.7%

GRANTS

ANN GOLD COMMUNITY SPIRIT

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 city, 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 GRANTS

The Heritage Grant program is a program to promote heritage conservation of properties and buildings throughout the city. 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 GRANTS

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.

SENIOR TAX ASSISTANCE GRANTS

The 2022 budget approved a \$406 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 2022, a 0% increase). 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 offence fine for illegal parking in handicapped parking spots of \$350 per incident without a permit, of which \$50,000 of these revenues are allocated to the Disabled Parking Reserve. Annually Council grants these funds towards Mobility Initiatives in the City based on application.

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.

2023 Taxation Budget Highlights

Budget Category	2020 Actuals	2021 Actuals	Preliminary Actuals at Oct 31, 2022	2022 Approved Budget	2023 Draft Budget	Variance (Favourable) / Unfavourable	% Change
Property Taxes	(\$116,894,750)	(\$117,955,853)	(\$119,660,748)	(\$119,695,700)	(\$121,616,900)	(\$1,921,200)	
Supplementary Taxes	(\$1,133,852)	(\$1,233,814)	(\$825,763)	(\$1,840,800)	(\$1,840,800)	\$0	
Capital Asset Sustainability Levy	(\$5,392,100)	(\$6,571,700)	(\$7,768,500)	(\$7,768,500)	(\$8,984,500)	(\$1,216,000)	
Net Budget	(\$123,420,703)	(\$125,761,367)	(\$128,255,011)	(\$129,305,000)	(\$132,442,200)	(\$3,137,200)	2.4%

2023 Taxation Budget Highlights by Budget Category

Budget Category	2022 Approved Budget	Base	Legislated	Annualization	New/Growth Staff & Programs	Special Levy	2023 Draft Budget
Property Taxes	(\$119,695,700)	\$0	\$0	\$0	(\$1,921,200)	\$0	(\$121,616,900)
Supplementary Taxes	(\$1,840,800)	\$0	\$0	\$0	\$0	\$0	(\$1,840,800)
Capital Sustainability Special Levy	(\$7,768,500)	\$0	\$0	\$0	\$0	(\$1,216,000)	(\$8,984,500)
Net Budget	(\$129,305,000)	\$0	\$0	\$0	(\$1,921,200)	(\$1,216,000)	(\$132,442,200)

- Property assessment growth is estimated at 1.61% and reflects Property Tax Revenue under Growth
- 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 2023 proposed rate would generate approximately \$1,216,000 in additional revenues

Richmond Hill