



# Corporate Accounts

2022 Draft Operating Budget

Budget Committee of the Whole



# **CITY OF RICHMOND HILL**

## **2022 Draft Budget**

### **CORPORATE REVENUES AND EXPENDITURES**

2022 Draft Budget Submitted and Reviewed by:

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# Corporate Accounts 2022 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 2022 Draft Budget for the Corporate Accounts is a net expense of \$2,761,200 before taxation. The 2022 Draft Taxation Revenue is \$129,286,200.

Budget Category	2020 Actuals	Preliminary Actuals at Sept 30, 2021	2021 Approved Budget	2022 Draft Budget	Variance (Favourable) / Unfavourable	% Change
Corporate Accounts	\$ 18,550,759	\$ 13,093,163	\$ 16,148,100	\$ 16,930,100	\$ 782,000	
Grants	457,851	335,725	412,600	475,100	62,500	
BIA Village of RH	129,939	99,742	100,000	100,000	-	
<b>Total Expenditures</b>	<b>\$ 19,138,549</b>	<b>\$ 13,528,630</b>	<b>\$ 16,660,700</b>	<b>\$ 17,505,200</b>	<b>\$ 844,500</b>	<b>5.1%</b>
Corporate Accounts	(13,241,037)	(8,593,045)	(14,297,900)	(14,564,000)	(266,100)	
Grants	(71,483)	(16,483)	(80,000)	(80,000)	-	
BIA Village of RH	(129,939)	(99,742)	(100,000)	(100,000)	-	
<b>Total Revenues</b>	<b>\$ (13,442,459)</b>	<b>\$ (8,709,271)</b>	<b>\$ (14,477,900)</b>	<b>\$ (14,744,000)</b>	<b>\$ (266,100)</b>	<b>1.8%</b>
Corporate Accounts	5,309,722	4,500,117	1,850,200	2,366,100	515,900	
Grants	386,368	319,242	332,600	395,100	62,500	
BIA Village of RH	-	-	-	-	-	
<b>Net Budget before Taxation</b>	<b>\$ 5,696,090</b>	<b>\$ 4,819,359</b>	<b>\$ 2,182,800</b>	<b>\$ 2,761,200</b>	<b>\$ 578,400</b>	<b>26.5%</b>
<b>Net Budget Taxation</b>	<b>\$ (123,420,703)</b>	<b>\$ (125,004,528)</b>	<b>\$ (126,368,800)</b>	<b>\$ (129,286,200)</b>	<b>\$ (2,917,400)</b>	
<b>Net Budget</b>	<b>\$ (117,724,612)</b>	<b>\$ (120,185,168)</b>	<b>\$ (124,186,000)</b>	<b>\$ (126,525,000)</b>	<b>\$ (2,339,000)</b>	<b>1.9%</b>



# Corporate Accounts 2022 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, insurance premiums, provisions for tax assessment appeal and other adjustments.

Budget Category	2020 Actuals	Preliminary Actuals at Sept 30, 2021	2021 Approved Budget	2022 Draft Budget	Variance (Favourable) / Unfavourable	% Change
Personnel Contingency Account	\$ -	\$ -	\$ 965,500	\$ (289,600)	\$ (1,255,100)	
Gapping Vacancy Factor	-	-	(1,165,000)	(1,165,000)	-	
Retiree Benefits	284,986	241,699	240,000	330,000	90,000	
Insurance Premiums (minus recoveries)	1,160,602	1,534,269	1,220,000	1,769,900	549,900	
Professional Fees - O.M.B	444,889	233,892	200,000	200,000	-	
Credit Card, Bank Fees and ADP Payroll Charges	199,353	60,652	175,000	155,000	(20,000)	
General Contracts	144,422	86,826	40,000	166,000	126,000	
Provision for Assessment Adjustments & Rebate	617,628	700,056	400,000	400,000	-	
Transfer to Reserves	797,399	-	-	-	-	
Transfer to Infrastructure Reserves Funds	10,122,447	7,722,000	11,081,700	12,133,500	1,051,800	
Cash to Capital RF Allocation	2,579,500	2,111,400	2,815,400	3,054,800	239,400	
Other Expenditures	2,199,533	402,370	175,500	175,500	-	
<b>Total Expenditures</b>	<b>\$ 18,550,759</b>	<b>\$ 13,093,163</b>	<b>\$ 16,148,100</b>	<b>\$ 16,930,100</b>	<b>\$ 782,000</b>	<b>4.8%</b>
Investment Income	(3,989,167)	(832,445)	(4,200,000)	(3,775,000)	425,000	
Tax Arrears - Penalties & Int.	(1,058,560)	(4,368,119)	(4,089,800)	(4,389,800)	(300,000)	
Transfer from Capital fund	(770,147)	-	(785,700)	(880,100)	(94,400)	
Transfer from Tax Rate Stabilization Reserve	-	-	-	-	-	
Transfer from Other Funds	(4,077,800)	(3,058,350)	(4,077,800)	(4,408,700)	(330,900)	
Transfer from OMB Reserve	(444,889)	(233,892)	(200,000)	(200,000)	-	
Transfer from Reserve Funds	(940,789)	-	-	-	-	
EBC Tenants Base Rent	(168,764)	(85,148)	(98,200)	(59,000)	39,200	
Payments in Lieu of Taxes	(1,168,437)	-	(525,600)	(530,600)	(5,000)	
Opening Surplus	(156,900)	-	-	-	-	
Other Miscellaneous	(465,583)	(15,091)	(320,800)	(320,800)	-	
<b>Total Revenues</b>	<b>\$ (13,241,037)</b>	<b>\$ (8,593,045)</b>	<b>\$ (14,297,900)</b>	<b>\$ (14,564,000)</b>	<b>\$ (266,100)</b>	<b>1.9%</b>
<b>Net Budget</b>	<b>\$ 5,309,722</b>	<b>\$ 4,500,117</b>	<b>\$ 1,850,200</b>	<b>\$ 2,366,100</b>	<b>\$ 515,900</b>	<b>27.9%</b>



# Corporate Accounts 2022 Draft Budget

Budget Category	2021 Approved Budget	Base	Legislated	Growth / Service Enhancements	Unsustainable Revenue Sources	2022 Draft Budget
Personnel Contingency Account	\$ 965,500	\$ (1,395,800)	\$ 140,700	\$ -	\$ -	\$ (289,600)
Gapping Vacancy Factor	(1,165,000)	-	-	-	-	(1,165,000)
Retiree Benefits	240,000	90,000	-	-	-	330,000
Insurance Premiums (minus recoveries)	1,220,000	549,900	-	-	-	1,769,900
Professional Fees - O.M.B	200,000	-	-	-	-	200,000
Credit Card, Bank Fees and ADP Payroll Charges	175,000	(20,000)	-	-	-	155,000
General Contracts	40,000	-	-	-	-	40,000
Provision for Assessment Adjustments & Rebate	400,000	-	-	-	-	400,000
Transfer to Infrastructure Reserves Funds	11,081,700	94,400	-	-	957,400	12,133,500
Cash to Capital RF Allocation	2,815,400	-	-	-	239,400	3,054,800
Other Expenditures	175,500	-	-	126,000	-	301,500
<b>Total Expenditures</b>	<b>\$ 16,148,100</b>	<b>\$ (681,500)</b>	<b>\$ 140,700</b>	<b>\$ 126,000</b>	<b>\$ 1,196,800</b>	<b>\$ 16,930,100</b>
Investment Income	\$ (4,200,000)	\$ -	\$ -	\$ -	\$ 425,000	(3,775,000)
Tax Arrears - Penalties & Int.	(4,089,800)	(300,000)	-	-	-	(4,389,800)
Transfer from Capital fund	(785,700)	(94,400)	-	-	-	(880,100)
Transfer from Other Funds	(4,077,800)	(330,900)	-	-	-	(4,408,700)
Transfer from OMB Reserve	(200,000)	-	-	-	-	(200,000)
EBC Tenants Base Rent	(98,200)	39,200	-	-	-	(59,000)
Payments in Lieu of Taxes	(525,600)	(5,000)	-	-	-	(530,600)
Other Miscellaneous	(320,800)	-	-	-	-	(320,800)
<b>Total Revenues</b>	<b>\$ (14,297,900)</b>	<b>\$ (691,100)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 425,000</b>	<b>\$ (14,564,000)</b>
<b>Net Budget</b>	<b>\$ 1,850,200</b>	<b>\$ (1,372,600)</b>	<b>\$ 140,700</b>	<b>\$ 126,000</b>	<b>\$ 1,621,800</b>	<b>\$ 2,366,100</b>

- Personnel Contingency Account expenditures decreased by a total of \$1,255,100 due to savings from negotiated CUPE agreement, employee benefits adjustments and elimination of payroll accrual and lieu time carryforwards. These savings were offset by \$140,700 related to minimum wage increases
- Retiree benefits budget was increased by \$90,000 to account for increase in number of eligible retirees
- Insurance Premiums (minus recoveries) were increased by \$549,900 due to negotiated rates, as current municipal coverage options are limited
- Budget for Transfer to the Infrastructure Repair & Replacement Reserve Fund and Cash to Capital allocation increased by \$1,196,800 reflective of the 1% increase in Capital Asset Sustainability Levy
- Other Expenditures increase of \$126,000 is due to additional costs related to Council motion (October 13, 2021) to allow residents to opt out from the snow windrow clearing program
- Investment Income budget decreased by \$425,000 due to expected lower returns on short-term investments reflective of a continued low interest environment
- Penalties & Interest revenues were increased by \$300,000 based on historical trend and forecasted expectations
- Transfers from Other Funds of \$330,900 are related to transfers from the Water and Wastewater Fund for City incurred expenses on behalf of Water, Wastewater and Stormwater operations.

## Grants

The City offers corporate grants to the community in support of various initiatives. The 2022 operating budgets for the grants are summarized in the below table.

Budget Category	2020 Actuals	Preliminary Actuals at Sept 30, 2021	2021 Approved Budget	2022 Draft Budget	Variance (Favourable)/ Unfavourable	% Change
Ann Gold Community Spirit	-	-	5,000	5,000	-	
Heritage Grants	21,483	10,000	30,000	30,000	-	
Road Watch Grants	3,500	-	3,500	3,500	-	
Senior Tax Assistance Grants	332,868	325,725	274,100	336,600	62,500	
RH Mobility Grant	50,000	-	50,000	50,000	-	
Transfers to Other Funds	50,000	-	50,000	50,000	-	
<b>Total Expenditures</b>	<b>\$ 457,851</b>	<b>\$ 335,725</b>	<b>\$ 412,600</b>	<b>\$ 475,100</b>	<b>\$ 62,500</b>	
Reserve and Reserve Funds	(71,483)	(16,483)	(80,000)	(80,000)	-	
<b>Total Revenues</b>	<b>\$ (71,483)</b>	<b>\$ (16,483)</b>	<b>\$ (80,000)</b>	<b>\$ (80,000)</b>	<b>\$ -</b>	
<b>Net Levy Requirement</b>	<b>\$ 386,368</b>	<b>\$ 319,242</b>	<b>\$ 332,600</b>	<b>\$ 395,100</b>	<b>\$ 62,500</b>	<b>18.8%</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 2021 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

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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 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.



## 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.

Budget Category	2020 Actuals	Preliminary Actuals at Sept 30, 2021	2021 Approved Budget	2022 Draft Budget	Variance (Favourable) / Unfavourable	% Change
Property Taxes	\$ (116,894,750)	\$ (117,921,384)	\$ (117,956,300)	\$ (119,676,900)	\$ (1,720,600)	
Supplementary Taxes	(1,133,852)	(511,444)	(1,840,800)	(1,840,800)	-	
Capital Asset Sustainability Levy	(5,392,100)	(6,571,700)	(6,571,700)	(7,768,500)	(1,196,800)	
<b>Net Budget</b>	<b>\$ (123,420,703)</b>	<b>\$ (125,004,528)</b>	<b>\$ (126,368,800)</b>	<b>\$ (129,286,200)</b>	<b>\$ (2,917,400)</b>	<b>2.3%</b>

Budget Category	2021 Approved Budget	Base	Legislated	New/Growth Staff & Programs	Special Levy	2022 Draft Budget
Property Taxes	\$ (117,956,300)	\$ -	\$ -	\$ (1,720,600)	\$ -	\$ (119,676,900)
Supplementary Taxes	(1,840,800)	-	-	-	-	(1,840,800)
Capital Sustainability Special Levy	(6,571,700)	-	-	-	(1,196,800)	(7,768,500)
<b>Net Budget</b>	<b>\$ (126,368,800)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,720,600)</b>	<b>\$ (1,196,800)</b>	<b>\$ (129,286,200)</b>

- Property assessment growth is estimated at 1.46% and is reflected of the 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 2022 proposed rate would generate approximately \$1,196,800 in additional revenues