

2025 Budget Highlights

Provincial Budget

Highlights from the Province and AMO are included in the package.

As with all small communities Bonfield relies on senior levels of government to provide operating costs as transfers and payments in lieu to municipalities as well as for capital projects through one time grants and ongoing funding.

Bonfield receives the following ongoing annual support:

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|---|------------------|
| Community Building Fund - | \$148,000 |
| Ontario Community Infrastructure Fund - | \$115,000 |
| Northern Ontario Resource Development - | <u>\$ 94,400</u> |
| | \$334,400 |

In addition there is the Ontario Municipal Partnership Fund that was created in 2008 as part of the Provincial-Municipal Fiscal and Service Delivery Review conducted by the province. Bonfield will receive \$779200.00 in 2025.

The Provincial budget offers grants for water infrastructure and industries/communities impacted by tariffs. Neither of these situations directly apply to Bonfield to receive infrastructure grants. Staff are working to have shovel ready projects for when new one-time grants are announced. These include roads, specifically Development Road and Railway through to Gagnon Street, as well as larger culvert structures and bridges and updates to the park equipment.

Bonfield Financial Comparisons

The next section includes the comparisons and performance measures regarding the Township's finances.

There are three charts as prepared by KMPG for a presentation on Long Term Budget Approaches. These charts capture the finances prior to this term of Council but they reinforce Council's goals to be mindful of tax increases while building the reserves and ensuring the Township does not fall further behind in infrastructure upgrades.

While the Township is at the higher end for tax increases, those increases from 2017 to 2022 are only slightly higher than inflation when considering fuel indexes as well. This, at the same time as the Township is at the lower end of infrastructure renewal and reserve amounts per household. In the chart, the 2022 average reserve per household for the 72 Zone 7 municipalities was \$3,688. In 2024 the Bonfield reserves have not significantly improved as there is only \$1,415 per household.

This term of Council has seen investment in roads and equipment which ensure the community has not fallen further behind on infrastructure upgrades. These include gravel on Pine Lake, South Shore, Line 3 and Maple Road as well as rehabilitation on 4 kms of Development Road. The purchase of the new grader, backhoe, excavator and compactor sets the Township up for success to continue upgrades and preventive maintenance ensuring infrastructure has a longer

life. With the introduction of the financial strategy coming up for the Asset Management Plan expected within the next 90 days, these investments have been critical.

Municipal Financial Profiles and Indicators for 2023 have also been released by the Ministry of Municipal Affairs. These represent the financial health of the municipality and are compiled by the province through the annual Financial Information Return the Township must submit. This year, the Township of Bonfield had one indicator within the “moderate” level of risk: Closing Amortization Balance as a % of Total Cost of Capital Assets (59% against a low threshold of 50%). This means the Township’s asset are not being replaced and many at are end of life without sufficient investment into the replacement. Council has been working to lower this risk with higher emphasis on renewal and savings/investments for further improvement.

Revenues

1. The budget does not require any funds to be removed from the Tax Stabilization Reserve. For the previous 4 fiscal years the budget required \$75,000 in funds to keep the rate increase low. In the previous fiscal year we lowered it and have now removed it. This will allow the Township to start to rebuild this reserve. The 2024 surplus will go to this account.
2. In 2024, \$30,000 was moved to reserve for the septic system at the municipal office. This has been moved into the 2025 budget to offset the expense.
3. Penalty and Interest on Taxes was well over budget. You will learn that the tax arrears ending for 2024 increased. Reducing arrears will be a project for 2025 with a goal to be under \$150,000 by 2028. Given the economic uncertainty, staff will work with property owners to achieve this. However, the uncollected amounts do affect the overall budget and cash on hand which prevents the Township from completing operating projects.
4. The Township received two emergency services grants. One is for additional sets of bunker gear and the other is to improve communications. They total \$61,800.
5. There is a separate report to review building permit fees. With the new bylaws, there are new fees required to be set. These fees will add to the overall revenues, which also allows the reduction in the dwelling permits fees. You will note in that report the number of permits is down to a typical year, but the single-family dwelling permits are maintained at 16 for the previous two years. This is showing a healthy growth for the Township.
6. The Bonfield Medical Centre is essentially a stand-alone entity with Council guidance through the Memorandum of Understanding and the Committee Terms of Reference. The province funds the bulk of the centre with the Township covering just a portion of the expenses. Starting 2025 any surplus would go to a designated reserve for the medical building, whether a new build or renovations to the existing to expand health care services in Bonfield.
7. Landfill Tipping fees are budgeted at the previous five-year average as there is not an expectation of large containment soils be dumped this year.
8. In recycling, 2025 is the first year under the new Producer Responsibility regulations and the Township has adjusted the revenues and expenses accordingly. The Township is now billed for containment recycling which lowers the revenue. We have started an education campaign for this and it will continue for 2025. Circular Material is to cover the staff expenses of the landfill but the agreement amount is set to 2020 per the provincial regulations so the amount received is not 100% cost recovery. An analysis will be completed at year end.
9. Summer camp will continue as a 2-week program for 2025.

Road Expenses

Gravel Program – Since 2023 the Township has built up a gravel program account to \$165,000 annually. For this budget it is proposed to accomplish the following roads with Quarry A:

2.7 kms on Shields Point Road – from Pine Lake Road to the mailboxes northeast of the Rock Ridge Lane. Which is the entirety of the Township maintained portion of the road.

3.2 kms of Boxwell Road – from Farmer's Line west to the Township maintained portion.

The stockpile will be replenished with 5,429 tonnes of A gravel as in the previous year with an annual budget of \$95,000. The stockpile is used for emergency road repairs, culvert repairs, roadside washouts and miscellaneous projects. If sufficient supply staff will apply material to smaller, shorter, less travelled roads within the Township.

Capital

Trunk Road Bridge is slated to be replaced this year. Staff have been working with the consulting engineer and the RFP for the bridge is slated to be released. The engineer recommends proceeding through 3 different tenders; bridge deck, bridge abutments and bridge installation. This is to reduce the overall cost estimates. The OSIM report estimates the total bridge replacement at \$450,000.

Cost \$450,000 Community Building Fund – \$200,000
10 year Bank Loan / LOC- \$250,000 = 5 year term @ 4.51% (est.)

The consultant engineer has released an RFQ for the proposed bridge deck portion of the project with a submission deadline of June 20th. It is expected this portion will take 6-8 weeks to build the bridge. The 2nd RFQ for the abutments will then be released. Once the bridge deck is completed the RFQ for the installation will be released. Once the installation is complete additional RFQ for guiderails and asphalt application will be released. The engineer expects the project to be completed by October 31, 2025.

In 2024 Development Road was pulverized and then calcium applied with a goal of resurfacing the road over the next four years. Then the remaining section will be pulverized and resurfaced.

For 2025 the section from Rutherglen Line to Mount Pleasant will be resurfaced. There is one cross culvert at Mount Pleasant that will be replaced and the culvert is already in stock. This section has received the additional gravel taken from the stockpile.

To resurface this portion of Development Road is estimated to cost \$121,000

Pine Lake Road requires attention from Highway 17 to Shields Point Road. The road was in poor condition in 2023 (the year it received the gravel) and recycled asphalt was applied. The recycled asphalt did not hold up to the traffic as expected and was regraded combining the asphalt with new gravel in attempts to improve the condition. This section of the road is one of the highest areas staff receive complaints regarding.



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The proposed solution in 2025 is to reshape and regrade the roadway finishing with an application of tar and chip. This is estimated to cost \$60,550 and can be done at the same time as the contractor attends the municipality for Development Road.

Please also see the Budget Breakdown by Department for more information on how the municipal budget and required tax levy is determined.

Small Community, Big Heart

