

Small deficit for Township from 2024

By Mark PavilonsEditorLocal JournalismInitiative Reporter

King Township ended 2024 with a small deficit, which will be paid for through the Tax Rate Stabilization Reserve Fund. Staff reported that year-end totals for 2024, showed a shortfall of \$23,532. Departmental staff have a responsibility of monitoring operating budget variances throughout the year with the assistance of the Finance Department and accountability for financial performance (e.g. actual revenues and expenditures) with the Senior Leadership Team. Based on year end results, the Township has a 2024 operating deficit of (\$23,532). There is a favourable variance in revenues of \$15,772,228 offset by an unfavourable variance in expenses of \$15,787,319. King enjoyed a \$982,063 favourable variance in investment income due to increase in investments. This is the net amount that is allocated to the operating budget and the balance of interest revenue is allocated to reserve funds as per corporate reserve policy. The Township also had a \$438,081 favourable variance related to supplementary tax revenue, in particular for Jane & King development, which changed from farmland to vacant industrial and additional assessment for Via Moto development.

Also on the plus side, King collected \$394,814 in tax penalties revenue due to higher tax arrears balance at 11% leading to additional interest revenue. There was a shortfall of \$424,099 in accrual for insurance claims and contingencies related to other expenses of the Township. In public works, the Township saved \$407,009 in salaries, wages and benefits across the department due to staff gapping and vacancies in parks and capital services. A shortfall of \$303,519 was related to contractual road services, due to price increases in winter sidewalk maintenance contracts, procurement of additional contracted services for two snowplows to backfill vacant equipment operator positions to maintain service levels, and emergency replacement of a culvert on 18th Sideroad. The winter saw an extra \$85,997 spent on salt and sand supply costs due to price increases. The Township saved \$234,138 favourable variance in waste management, capital services and parks contractual services due to lower than anticipated volume of garbage and recycle pick-up, lower locates pricing, and delays in landscaping product deliveries. The Township paid an extra \$47,580 in stormwater contractual services due to major storm main repairs on Burton Grove and Western Road. Stormwater levies collected in the year were \$1,015,457, of which \$745,877 were transferred to the Stormwater Management Reserve Fund to balance the account to zero. Lower water supply costs saw a savings of \$212,037 in water contractual services. The cost savings were offset by a shortfall in water user fee revenues of (\$378,175). There was a transfer of \$330,446 to the Water Distribution Reserve Fund. Community Services saw a shortfall of \$1.1 million, related to salaries, hiring and an increase in salaries and benefits for volunteer firefighters. The Township did, however enjoy an extra \$47,971 in ice rentals due to a Junior A team playing out of Nobleton Arena and higher rentals than anticipated at Trisan Centre. Hall rental revenues due to low demand/usage, fell by more than \$10,000, but recreation fees went up \$14,207 mainly due to increases in league sport fees and decreases in fitness and personal training. Laskay Hall was closed most of the year due to work and this saw a drop of \$38,679 in program fees. Day camps also suffered a \$90,258 loss at Cold Creek. Low attendance at several events also saw a drop in revenue. There's a strong participation rate in King's seniors' programs, resulting in a \$10,728 increase. King experienced some beneficial increases in fire-related revenues. Repairs and upgrades at the Schomberg fire station, Nobleton Arena and Trisan dinged the Township for \$278,183. There was a \$95,813 increase in general operating supplies, mobile phones, training and development, mileage, memberships, and other miscellaneous office items. Hydro and water rate increases cost the Township \$42,158 more last year. But some of it was offset by savings in heat-gas due to the milder winter in the first half of 2024. The Library enjoyed some extra income thanks to investment income, \$14,525 in Canada Summer Jobs funding, and \$5,435 in self-generated revenues. These were partially offset by salaries and benefits, and equipment purchases. While Growth Management Services enjoyed a break in salaries due to gapping vacancies, there was a \$217,4645 cost in planning applications due to developer delays. The Township enjoyed \$64,372 extra in building permits, but delays in subdivision agreements led to a cost of more than \$275,000. Efficiencies in the AMPS program garnered the Township \$167,744 and another \$45,264 was saved in operational budget items. The Building division had a year-end surplus due to higher permit activity generating over \$64,371 in additional revenues, savings of \$173,592 in salaries and benefits with vacancies, gapping, in various positions, thereby allowing a transfer of \$166,009 to the reserve to balance the division to zero. There were some costs related to recruitment and legal personnel matters, along with IT subscriptions. Revenue was enjoyed

with more marriage licences being issues. The postal strike cost the Township tax arrear revenue. future development within Nobleton. Transfers to reserve funds may show up as liabilities on the balance sheet, but they're actually pluses for the municipality. Staff noted that the current balance of the Tax Rate Stabilization Reserve Fund before this transfer is \$1,297,309 as of December 31, 2024.