

Administrative Report to Council

To: Reeve & Council

From: Cindy Nielson, CAO/Clerk-Treasurer

Date: June 12, 2024



Expenses Excluded from 2024 Budget

Recommendation: That Council for the Township of the Corporation of the Township of Chapple acknowledge acceptance of this report and adopt it by resolution as required by O. Reg. 284/09, a copy of which is attached.

Background: Ontario Regulation 284/09 allows the Township, when preparing the annual budget, to exclude from the estimated expenses all or a portion of the following:

- Amortization expense
- Post-employment benefit expenses; and
- Solid waste landfill closure and post-closure expenses.

The regulation requires that, before a budget is adopted for the year that excludes any of the above expenses, that

- A report is prepared about the excluded expenses
- That the report is adopted by Council by way of resolution

Analysis: It is anticipated that the straight-line amortization/depreciation of Tangible Capital Assets (TCA) for the year 2024 will be roughly the same as 2023 (\$539,629). The Township of Chapple realized an increase in assessment in the amount of assessment in the amount of \$3,255,600 on the Returned Roll for taxation purposes in 2024. Capital purchases of \$695,482.70 are included in the 2024.

Financial Implications: The amortization incurred over the course of the year reduces accumulated surplus. The Township of Chapple has offset the exclusion of amortization in the 2024 Budget with the replacement and improvement of Capital Assets. As prioritized in the Asset management Plan and associated Bridge Inspection Reports, the replacement of the Irvine bridge will begin in 2025 (engineering and hydrological studies completed in 2024).

The equipment upgrades to the Water Treatment Plant will be finalized this year. The Rink Roof project will begin in July and will be completed by the end of the summer.

Retrofitting the International truck will help sustain its useful life and purchasing a tracked skid-steer this year will retire the John Deere Tractor and snow blower. Deciding to lease a motor grader will ensure that our reserves are available in 2025 to replace the Irvine Bridge.