



SUPPLEMENTARY INFORMATION

A. Budget Principles

The 2021 Budget and Business Plan will be prepared in accordance with the following principles:

- The annual budget reflects and supports the priorities of the Town's Strategic Plan;
- The annual budget is aligned with the targets set out in the Long Range Financial Plan (LRFP) and the financial policies approved by Council;
- The annual budget accounts for the investment required to maintain infrastructure in a state of good repair in accordance with the Corporate Asset Management Plan;
- Ongoing expenses are funded from sustainable revenue sources to ensure continuity of services;
- The total debt servicing cost (principal and interest payments) does not exceed Council's approved debt limit of 10% of the Town's tax levy;
- All growth-related infrastructure costs that can be recovered under the Development Charges Act will be supported from development charge revenue in the annual budget and in accordance with the LRFP. Growth will be interim-financed through reserves, where necessary;
- Reserves are maintained as per policy in order to repair/replace infrastructure, fund identified priorities, and ensure long-term financial sustainability;
- All grants available to municipalities will be pursued (federal, provincial and other funding opportunities);
- New services, service level enhancements and increases to the full-time staff complement require an accompanying Budget Inclusion form to be considered by Council as part of the annual budget process;
- The 2021 capital budget will focus on projects that are related to health and safety and the maintenance of assets in a state of good repair, to allow staff time to address the previously approved backlog of capital projects. Any new 2021 capital projects will require an accompanying Capital Project Information Sheet to be considered by Council as part of the annual budget process.
- The 2021 operating budget will be prepared without any adjustments for COVID-19 related service level changes or restrictions.

B. Basis of Budgeting

The Town of Halton Hills prepares all financial information on an accrual basis in accordance with Canadian Public Sector Accounting Standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. This means that transactions and events are recognized in the period in which they occur. The Town, however, does not include a budget for amortization expenses, as permitted under Ontario Regulation 284/09 under the Municipal Act, 2001.

A supplementary report, required to be adopted prior to budget approval, is presented to Council annually, converting the Capital and Operating budgets into PSAB format, in order to meet the regulations of Ontario Regulation 284/09.

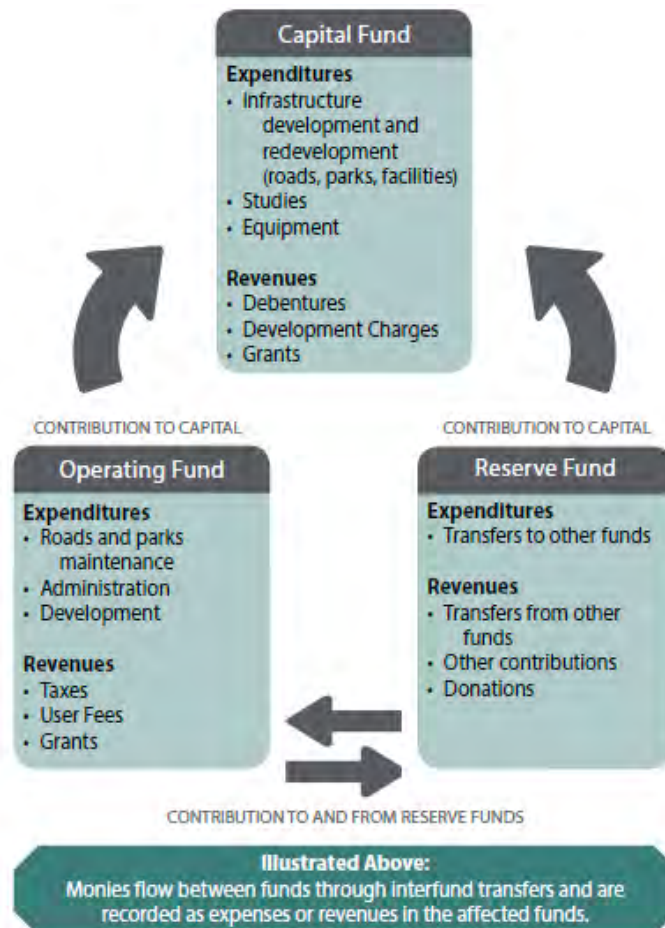
C. Fund Accounting

Financial information is prepared in accordance with a fund structure which consists of an Operating fund, Capital Fund and Reserve Funds. A fund is defined as a segregation of assets and related liabilities that is administered as a separate accounting entity. Each fund has its own assets and debts, and raises or is granted its own money for its own purposes, and records its own expenditures. Separate fund accounting provides an increased measure of control over the assets of the fund by ensuring the assets are not inadvertently utilized by another fund.

Capital Fund is used to record all capital expenditures as well as the financing of these capital expenditures, including long term borrowing, grant funding and taxation monies raised specifically for capital expenditures.

Operating Fund is used to record all revenues and resources that are not otherwise accounted for in another fund. Unrestricted revenues such as taxes are recorded in the Operating Fund.

Reserve Funds are established to hold monies that have been segregated for a specific purpose.



D. Strategic Actions Shaping our Future

The Town of Halton Hills annual budgets are influenced by various long-term plans, Town policies and external factors. The following information outlines the guidelines and specific budget influences that shaped the 2021 budget.

1. Long Range Financial Plan

The Town of Halton Hills Long Range Financial Plan (LRFP) is an integral part of the Town's annual budget process. The direction of the annual budget process is consistent with the principles and policies of the plan.

The purpose of the LRFP is to provide a framework to guide Council and the Town's departments, boards and committees in their financial planning and decision-making processes. Through this, the goal is to improve and strengthen the long-term financial health of the Town.

The LRFP was developed in 2018 in conjunction with Watson & Associates Economists Ltd. and was approved by Council in January 2019. The LRFP includes principles, policies and strategies to guide Council and staff in financial decision-making. The 20-year Plan was complemented by a new dynamic tool that can provide updates to the LRFP as assumptions change over time. In essence, the financial planning tool enables staff to explore 'what if' scenarios, the financial impact, and the best financing mix to keep the Town in a strong fiscal position.

In terms of analyzing the financial impact, the LRFP model considers the debt load of the Town with respect to the Council-approved debt threshold of 10% of the tax levy. Monitoring debt load in terms of current and future commitments is critical to ensuring that the Town is not over-extended in terms of interest and principle payments. More specifically, the LRFP model assists in determining which capital projects might be eligible for debt-financing and the optimum timing/amount of financing in the context of the 10% limit. The LRFP model also considers the Town's capacity to manage "internal" loans through inter-fund financing. Inter-fund loans from reserves are used to address timing variances between the receipt of development charges and the need to fund growth-related projects. Finally, the LRFP model provides guidance on the annual contribution to reserves so that reserves remain healthy and have the ability to support future capital expenditures, unexpected or unpredicted events, and/or to smooth expenditures which would otherwise cause fluctuations in the operating or Capital Budgets. Reserves are extremely important to the ongoing financial stability of the corporation.

2. Finding Efficiencies and Reducing Costs

Assuming a levy increase of 3.9% in 2021, the Town will have a 5-year tax levy average increase of 3.76% - below the Long Range Financial Plan levy target approved by Council. Over the five year period, the Town has maintained services and delivered on Council's strategic priorities by introducing more efficient approaches that reduce costs and in many cases, also enhance services. Savings enable staff to reallocate resources to areas needing greater support.

Significant efficiencies have been generated over the past few budgets cycles and include, but are not limited to, the following:

- Providing technology infrastructure renewal and the modernization and renewal of various enterprise business systems;
- Advancing process digitization and on-line service offerings to provide the ability for staff to work remotely so that core operations and customer service can continue during COVID-19 closures and limited operations;
- Implementing electronic management software, web streaming and closed captioning services resulting in reduced costs in document handling and the delivery of Council and Committee information in a more efficient, sustainable and accessible way;
- Adding the Long Range Financial Plan model, which has reduced the amount of time needed to develop reliable financial forecasts and expanded the ability to analyze scenarios and fiscal impacts;
- Implementing various facility improvements, as outlined in the 2018 Energy Report, resulting in energy consumption and cost savings and a decrease in the corporate environmental footprint. Establishment of a Green Revolving Fund Reserve as per the Corporate Energy Plan approved by Council through report PLS-2019-0067. A Green Revolving Fund (GRF) is used to establish a predictable and accountable financing source for implementation of the Corporate Energy Plan. More specifically, GRFs are financial mechanisms that recycle utility cost savings, incentives and/or grants received, and other associated cost savings and revenues to finance future energy efficiency projects and support the Climate Change Emergency Strategy;
- Conversion to LED lighting for streetlights through the Town's partnership with Southwestern Energy Inc. reducing hydro costs by \$336,000 per year and supporting climate change mitigation;
- Securing alternate sources of funding from upper levels of government, which totaled \$4.4M in 2019 and was budgeted at \$7.4M in 2020. Below are highlights of grants received and the strategic investments the Town was able to make using funding received in 2019 and 2020:
 - \$1,485,000 from Ontario Connecting Links for the Queen Street in Acton road reconstruction including funding approved through the 2019 and 2020 capital budget;
 - \$271,321 from the Investing in Canada Infrastructure Program Public Transit Stream for the replacement of fleet vehicles in the ActiVan specialized transit program;
 - \$73,330 from the Investing in Canada Infrastructure Program Public Transit Stream for the installation of transit infrastructure along the Steeles Avenue corridor;
 - \$175,000 from the Federation of Canadian Municipalities for the development of a scenario-based Climate Change Adaptation Plan;
 - \$137,600 from the Federation of Canadian Municipalities to support Corporate Asset Management initiatives;
 - \$291,655 from the Investing in Canada Infrastructure Program for Glen Lawson Road/Third Line corridor improvements with additional funding to be applied in 2023 for construction;

- \$1,879,461 from the Federal Gas Tax Fund one-time payment used to fund sports field lighting replacement at Gellert and Cedarvale Parks (\$450,000), tennis court lighting replacement at Emmerson Park (\$104,000), stabilization of the road base and slope of 10th Line (\$500,000), and the installation of EV charging stations at various Town-owned facilities (\$75,000);
- \$156,503 Modernization Grant from the Ontario Government to support the dispatch partnership with Burlington Fire Department (\$50,000), the expansion of e-services on the renewed website (\$24,000), and the introduction of the Business Concierge service to the Town (\$82,500);
- \$40,000 CMHC Seed Funding from the Canadian Mortgage and Housing Corporation to support Affordable Housing initiatives.

3. Advancing Council's Priorities

Council's strategic priorities as expressed through the Town of Halton Hills Strategic Plan are key considerations in the preparation of the annual departmental business plans and the Town's budget. A strategic plan is established each term of Council to identify the key priorities and focus resources. In keeping with the defined process as set out in ADMIN-2018-0032, Council's priorities were updated for the 2019-2022 term of Council. An overview of the process is depicted in Figure 1 below.

Figure 1: Process Overview



A facilitated workshop was held on June 6, 2019 with Members of Council and senior staff that identified focus areas for 2019-2022. In February 2020, Council received Report ADMIN-2020-0003 which provided a draft strategic plan and in June 2020 Council approved the final content of the strategic plan through ADMIN-2020-0021. The plan includes a vision, mission, values and focus areas, accompanied by guiding statements. The relationship of Council's strategic plan to the annual budget and business plan document is depicted in Figure 2 below.

Figure 2: Hierarchy of Strategic Planning documents



The following are Council's Strategic Priorities/Focus Areas (in no particular order), and an explanation of how staff intends to support these priorities through the 2021 Budget.

a) Shaping Growth

Halton Hills harnesses its future population and employment growth to provide new opportunities for residents, workers, businesses, and visitors.

Halton Hills works to ensure housing is accessible to all its residents at any age or stage in life.

Halton Hills grows in a way that embodies its values of social, economic, fiscal, and environmental sustainability. Staff engage with other levels of government to see that population growth in Halton Hills remains moderate.

Focus Areas:

- Residential Greenfield Growth
- Intensification
- Downtown Revitalization
- Employment Lands
- Affordable Housing
- Water and Wastewater infrastructure

Projects to be advanced in 2021 include:

Planning Residential Greenfield Growth / Intensification / Downtown Revitalization / Employment Lands

- Update the Town's Official Plan to implement changes required by Provincial Plans, the Provincial Policy Statement and the Regional Official Plan, including allocation of population and employment growth to the 2051 planning horizon.
- Review and update the GO Station Secondary Plan to ensure conformity with A Place to Grow and the updated Regional Official Plan and consistency with the Provincial Policy Statement.
- Prepare a Cultural Heritage Master Plan to identify and study the Town's cultural heritage resources and provide recommendations for the protection and enhancement of those resources.
- Prepare Secondary Plans for:
 - Premier Gateway Phase 2B lands.
 - Southeast Georgetown lands.
 - Stewarttown
- Review and update the Glen Williams Secondary Plan.
- Implement the growth monitoring model to track Town wide and geographic specific residential and industrial/commercial/institutional (ICI) growth against growth forecasts contained in various Planning and Finance plans and studies.
- Continue to provide input into the Halton Region Official Plan review including the Integrated Growth Management Strategy and establishing the Town's position on the post 2031 population and employment growth.

Economic Development:

In 2020, the Town updated its Economic Development and Tourism Strategy to reflect current market conditions and strategic priorities including the promotion of local job growth, investment and diversification. 2021 activities will focus on implementing the Strategy's recommendations.

In addition, the Town completed a Foreign Direct Investment Strategy that positions the Town as a prime destination for investment. This strategy also supports the growth of existing business by facilitating new market access, partnerships and employment opportunities. Implementation of the FDI Strategy is underway. Although COVID-19 has caused in-market activities and physical trade missions to be delayed, implementation has continued. In 2021, the focus will be on investment lead generation and pre-qualification, attending virtual tradeshow, and building relationships that will strengthen future in-market activities.

In 2020 the Business Concierge program, partly funded through the Modernization grant, was launched. This successful approach to mobilize resources to assist business development will be extended into 2021 with business-related processes and rapidly resolve issues.

In 2021 staff will complete a comprehensive review and update of the CIP. It will build on existing successful programs with new incentives and supports, including the Economic Assistance Program. It will expand the CIP's scope to consider additional strategic priorities, including affordable housing, brownfield redevelopment, climate change, arts and culture, and accessibility.

Affordable Housing:

The Town with the assistance of the Affordable Housing Working Group will undertake a number of initiatives to address the current and future housing needs of Halton Hills residents, including:

- Identifying opportunities for greater supply and range of affordable housing opportunities;
- Creation of financial incentives to develop affordable housing;
- Enhanced and strategic use of Town-owned surplus properties;
- Promotion and awareness of two-unit creation as an affordable housing option;
- Strong partnerships between private, non-profit, and public sector stakeholders for advancing affordable housing opportunities;

Water and Wastewater infrastructure

Staff will work with partner agencies and landowners to plan and implement the effective servicing of Vision Georgetown. As well, staff will continue to provide input into the Halton Region Official Plan review including assessing implications for servicing.

b) Transportation

People and goods move freely through Halton Hills on well-maintained transportation infrastructure.

Getting around is safe for residents of all ages through a combination of traffic calming and active transport priority routes and trails.

The municipality has a transit plan that is suitable for moving its residents and workers to where they want to go.

Halton Hills advocates for greater regional connectivity for its residents and businesses.

Focus Areas:

- Trucks
- Bike Lanes
- Traffic Safety
- Transit

Projects to be advanced in 2021 include:

Trucks

In 2021 the Town will continue the implementation of the Truck Strategy, including:

- Continue with various permissive truck signage throughout the community. This will be a multi-year project.
- Establish a Truck Advisory Committee which includes police, road authorities, trucking companies and Council members.
- Initiate and collaborate with the MTO on the design of truck inspection station design and continue with Truck Safety Blitzes.

Bike Lanes - Active Transportation

The Town will continue to invest in infrastructure to support active transportation. In 2018, the Town commenced its Active Transportation Master Plan to map out a future active transportation network; this network will include on and off-road facilities that will encourage travel by cycling and walking. The Active Transportation Master Plan was completed in fall 2020 along with the Cycling Feasibility Study for Maple Avenue. In recent years, staff has enhanced the active transportation infrastructure through additional on-road bike lanes and in-fill sidewalk connections. Staff is targeting to have in place a total of 21 km on-road bike facilities in 2020. Due to COVID-19 the approved 2020 installation of on-road bike lanes on Barber Drive has been deferred to 2021. The infill sidewalk connections are focused on areas where there is a gap in infrastructure. In 2020, infill sidewalk improvements were made on the west side of Churchill Road South from Rachlin Drive approximately 300m north. In 2021, one major sidewalk improvement project will include a sidewalk connection near McCullough Crescent.

Greater effort has been made to promote use of active transportation in the community through the “Greenbelt Route” connector signs and way-finding signs. As part of the 2021 capital budget, staff request \$30,000 to purchase bike racks and bike safety equipment, the development of a digital map, additional way-finding signs and other signage, and pavement markings on the roadways to delineate active transportation infrastructure.

The 2021 capital budget includes a \$90,000 request for on-road bike lanes on Tanners Drive. In addition, the first phase of a multi-year project to construct a new multi-use pathway and cycle track along Maple Avenue from Trafalgar Road to River Drive will consist of a \$1,545,000 request in 2021.

Traffic Safety

In 2020, staff received over 160 public requests concerning traffic safety, the majority related to speeding and aggressive driving. Staff is reviewing these concerns in the context of the Town’s Traffic Calming Protocol completed in 2019. The demand from the public for traffic calming

measures has increased over the last number of years. Based on a neighbourhood approach, the recently updated protocol involves evaluating all roads to determine the most appropriate traffic calming measures. Residents will be invited to provide input on these measures through various public engagement opportunities.

To improve pedestrian safety and mobility, staff has installed 14 pedestrian crossovers over the last four years. In 2021, staff is recommending three additional pedestrian crossovers at Mill Street West and Victoria Avenue, Maple Avenue and Gilmer Court, Barber Drive and Killaloe Crescent/Smith Drive (south intersection).

Road Maintenance

In 2020, the Town added just over 10 kilometres of roads in new subdivisions. To ensure that these roads are properly maintained (e.g., snow removal, street cleaning), the Operating Budget has been increased by \$102,843. Staff have included a request for a pickup truck with trailer and three mowers to support the expanded Trafalgar Sports Park through the capital budget, with the cost of \$150,000 funded from development charges.

In 2021, nine pieces of equipment ranging from trucks to multi-purpose mowers and tractors will be replaced. The total cost of replacement is \$730,000 and is funded through the equipment reserve. Replacing aging equipment will ensure that the Town can continue to deliver the appropriate level of service.

Transit

The Town will review and update the ActiVan Master Plan and ActiVan program in 2021. The plan will ensure that the Town is meeting goals and objectives and all requirements set out in the AODA guidelines and make recommendations for future implementation. There will be a comprehensive public consultation and engagement program to establish the overall transportation needs for the Town including all modes of travel. The ActiVan Master Plan will continue to align with AODA legislation requirements and policies. The plan will ensure financial responsibility and accommodate growth in service.

Preparing for Transit Implementation

In September 2019, staff put forward memorandum TPW-2019-0019 informing Council that the Town will be applying for funding through the Investing in Canada Infrastructure Program (ICIP) Public Transit Stream. Halton Hills is eligible to apply for available funding up to a maximum of \$465,453 from the Provincial Government and \$558,600 from the Federal Government, for a total of \$1,024,053. Funding must be applied to projects directly related to transit between 2019 and 2028.

Staff proposed that the available funding be applied to the following projects:

Transit infrastructure of shelters and stops along the Steeles Avenue corridor within the Municipal boundaries of Halton Hills;

Rolling stock, which includes five (5) replacement vehicles in accordance with the Town's fleet asset management plan and one (1) additional vehicle for fleet expansion of transit services;

Transit hardware and software technology requirements for the expansion of transit and the support of specialized transit services.

The proposed projects for funding are consistent with the Town's Transit Service Strategy as per Report No. TPW-2019-0026 and have been incorporated into the preliminary 2021 Capital Budget Forecast over the next three years. The funding request was submitted in October, 2019 and was successful. The funding will be used to offset the budget requests for this program.

c) Climate Change and the Environment

The residents and businesses of Halton Hills are responsible members of the global community, and are leaders in the fight against climate change, with a goal to be a Net-Zero Carbon Community by 2030.

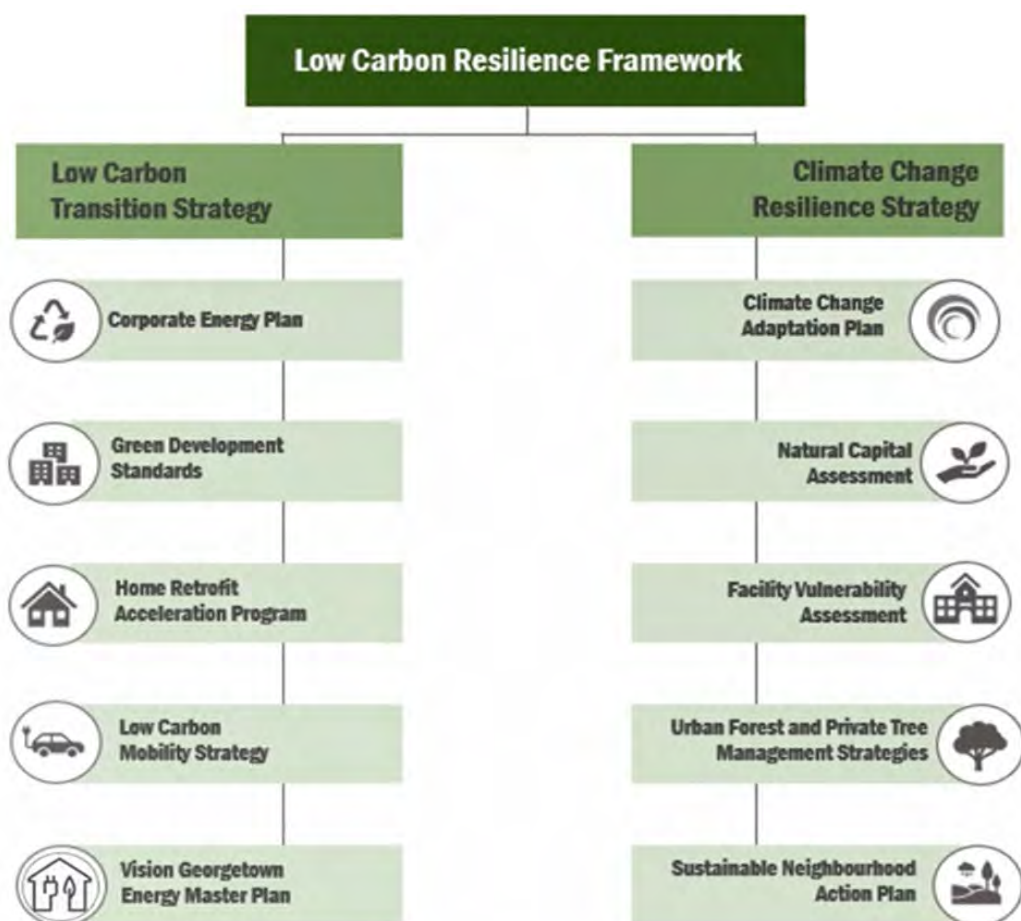
Halton Hills communities prepare for changes we know are coming while reducing our carbon footprint.

The municipality makes its landscape more climate resilient and beautiful through a lush tree canopy and public open space.

Focus Areas:

- Action on Climate Change
- Resilient Infrastructure
- Low Carbon Transition
- Tree Canopy

In May 2019 Town Council passed a Climate Change Emergency Declaration setting an objective for the town to achieve net zero by 2030. Staff responded with the creation of the Climate Change and Asset Management staff team that developed the comprehensive Low Carbon Resilience Framework supported by an extensive work plan and a supporting budget to follow through on the objectives in Council's Climate Change Emergency Declaration.



In keeping with Council's Climate Change Emergency Declaration, implementation is assisted by the Town of Halton Hills Climate Change Action Task Force chaired by Mayor Bonnette and two steering committees, the Low Carbon Transition Steering Committee chaired by Councillor Fogal and the Climate Resilience Steering Committee chaired by Councillor Somerville.

Projects to be advanced in 2021 include:

Action on Climate Change

For 2021 there will be on-going implementation of corporate and community climate change actions expressed through Council's Climate Change Emergency Declaration, including:

- Community Sustainability Investment Fund
- Climate Change Action Implementation program
- Climate Change Adaptation Plan Implementation
- Stormwater Master Plan development
- Updating Green Development Standards
- Vision Georgetown low carbon strategy
- Property Assessed Payments for Energy Retrofits (PAPER) program
- Consideration of e-vehicles

- Installation of electric vehicle (EV) charging stations.

Resilient Infrastructure

In 2019 the 2019-2024 Corporate Energy Plan was approved by Council. The Plan implements actions to Town assets to deepen energy and emissions reductions and build organizational capacity to deliver and sustain improvements.

The 2020 budget forecasted funding to support the recommendations set out in the Corporate Energy Plan. In 2020, the Town Hall Low Carbon Design Brief was completed. For 2021, there were plans to undertake studies at other Town facilities, however, given the implications associated with COVID-19 these projects have been extended to be undertaken 2022.

Low Carbon Transition

In 2020, the Low Carbon Transition Strategy, the update of the Mayor's 2015 Community Energy Plan, was initiated to ensure the Town continues to align with best practices and appropriately responds to the Council's Climate Change Emergency Declaration. Recommendations will come forward on policies and guidelines to reduce community greenhouse gas emissions that reflect the most up-to-date practices. Funding has been included in the 2021 budget to initiate the implementation of recommendations arising from the update of the plan. In addition, staff have pursued concurrent actions to address climate change that are reflected above under the Action on Climate Change section.

Tree Canopy - Natural Assets

Funding for projects supporting the protection and enhancement of the Town's tree canopy was approved in 2019 capital budget to be used in a phased, multi-year project. The Phase 1: Natural Assets Inventory & Services Valuation study was completed in 2020 in partnership with the Credit Valley Conservation (CVC). The Phase 2: Natural Assets Mapping and Management Strategies study will be undertaken in partnership with CVC in 2021 in keeping with a formalized memorandum of understanding between the Town and CVC. This work will proceed in concert with work to implement the SNAP Project and to develop a GIS Mapping Tool, tree planting and tree canopy monitoring. These initiatives will inform the contribution of the Town's natural assets to quality of life, quality of air, carbon sequestration and meeting the town's climate change objectives.

In addition to the natural assets inventory project, staff will be undertaking the following:

- Completing the Private Tree Management Strategy (private tree by-law)
- Continuation of the tree planting program
- Consideration of establishing an urban forestry program.

d) Fiscal and Corporate Management

Halton Hills is a well-run municipality that maintains spending within its means and keeps tax increases low and predictable.

The municipality maintains services and service levels that support the quality of life of its residents and a hospitable environment for businesses.

Focus Areas:

- Stick with Fiscal Plan
- Maintain Services
- Capital Assets and Liabilities Management
- Communications

Projects to be advanced in 2021 include:

- Develop a new DC Study/Bylaw and Community Benefits Charge Strategy/Bylaw
- Updating the AMANDA data system to provide more up-to-date effectiveness and responsiveness for staff and the Town's clients
- Prepare reports on COVID-19 related costs and reduced revenues as they relate to grants received from the Province
- Create and launch a refreshed Invest Halton Hills marketing campaign focused on business attraction and retention
- Continue to implement the current Cultural Master Plan (2013) while initiating its update. An update is necessary to ensure that the Town has a modern and effective Master Plan to guide arts and culture priorities.
- Recruitment of Part Time Firefighters to improve response to incidents.
- Review and Completion of new Fire Master Plan including Community Risk Assessment.
- Provide leadership and cross-departmental coordination related to municipal relationships with Indigenous Nations and Truth and Reconciliation.
- Undertake the Town's Equity, Diversity, Inclusion and Anti-Racism Initiative
- Develop a communications plan and content calendar for the Town's social media platforms including the LinkedIn account, working with HR; develop and post topical and interesting information.

e) Local Autonomy and Advocacy

Halton Hills is a leader within the Region of Halton and the Greater Golden Horseshoe. It is an example for other small, rapidly growing rural municipalities in Ontario.

The municipality advocates for what it needs from other orders of government and ensures its regional municipal partners act in its interests.

Halton Hills works collaboratively with other agencies, governments, and public bodies to deliver what residents and businesses need to thrive.

Focus Areas:

- Provincial
- Federal

Projects to be advanced in 2021 include:

- Continue ongoing communication to Provincial and Federal governments about the fiscal challenges being experienced by municipalities as a result of the impacts of COVID-19.
- Continue to work with the AMO and FCM to advance advocacy efforts.
- Continue to pursue funding opportunities and partnerships offered by other levels of government, FCM, community groups and other agencies and associations that can assist in advancing Council's priorities.

f) Ensure a Vibrant Agricultural Community

As one of the most beautiful rural communities in Ontario, Halton Hills understands the value of it of its agricultural land base.

The municipality protects the land base and system of infrastructure that supports its agricultural community.

The community is supported in looking for ways of celebrating its rural character and drawing visitors from across the continent to enjoy its landscape and produce.

Focus Areas:

- Protect Agricultural Land
- Promote Agritourism

Projects to be advanced in 2021 include:

In 2021, staff will be implementing strategic priorities identified in the Town's 2020 approved Economic Development and Tourism Strategy to promote and advance local agritourism opportunities.

g) Youth and Seniors Initiatives

Young people and seniors are active members of the Halton Hills communities, and contribute to its daily life in multiple ways.

The municipality engages with youth and seniors in ways that are sensitive to their habits and interests to ensure their voices are heard when decisions are being made.

The youth and senior population of Halton Hills is supported by a variety of services and facilities tailored to their needs.

Focus Areas:

- Engagement
- Services and Facilities

Projects to be advanced in 2021 include:

- Develop Community Action Plan in line with Region's Community Safety and Well Being Strategy and the Recreation and Parks Department Strategic Action Plan.
- Implement year one of the Recreation and Parks Department Strategic Action Plan.
- Construction of capital construction projects such as Playground Replacement Program, Revitalization & Renewal Projects, Trails, Acton Youth Centre (Acton Town Hall) and Official Opening.
- Monitoring of continued impacts of pandemic on program and service delivery and revenue generation.

E. Long-Term Debt

The Town of Halton Hills currently has external debt related to capital infrastructure issued by the upper-tier municipality, the Region of Halton and Southwestern Energy Inc.

Provincial limits on municipal debt are set based on a maximum percentage of revenues that may be used to service debt costs (e.g. interest and principal payments) on an annual basis. In the Province of Ontario, municipalities have the authorization to incur long-term debt for municipal infrastructure as long as annual debt repayments do not exceed 25 per cent of net revenues as calculated by the provincial Ministry of Municipal Affairs and Housing in the Towns' Annual Repayment Limit report (ARL). For 2021, the Town's estimated annual debt carrying costs of \$5M, is well below the provincial limit.

There are key policies adopted by Council as it relates to debt issuance:

1. Future debt service payments will be made while ensuring the following:
 - The provision of essential services is not jeopardized
 - Financial flexibility is maintained by ensuring that there are sufficient revenues to accommodate unanticipated expenditures and revenue fluctuations
 - Outstanding debt obligations will not threaten long-term financial stability
 - The amount of outstanding debt will not place an undue burden on taxpayers
2. The Town's debt charges, including external debt charges related to development charges, as a percentage of tax levy, will not exceed 10 per cent as considered acceptable by credit rating agencies.

F. Reserve and Reserve Funds

Reserves and reserve funds are established by Town by-law and/or through Provincial legislation. Both reserves and reserve funds are considered during the annual operating and capital budget process and for the purpose of long-term planning. They are funded through annual contributions from the operating budget as well as external sources.

1. Reserves

Reserves are an allocation of accumulated net revenue. They are not associated with any specific asset and are generally used to mitigate the impact of fluctuations in costs and revenue. The Town currently has three different types of reserves:

- **Capital reserves** are a set of funds used to set aside money for the acquisition, repair and/or renewal of capital infrastructure. Funds are utilized to assist in the financing of infrastructure renewal, asset replacement costs identified by the Corporate Asset Management Plan, and to supplement capital funding to allow access to funding programs through other levels of government.
- **Operating reserves** are unrestricted funds set aside to provide for potential future planned or unplanned expenditures.
- **Stabilization reserves** are created to offset extraordinary and unforeseen expenditure requirements, and address volatility in the tax rate. They may also be used to fund revenue shortfalls and assist with the management of cash flows.

2. Reserve Funds

Reserve funds are segregated and restricted to meet a specific purpose. They represent monies set aside either through a municipal by-law or to meet a provincially legislated requirement. Interest earned on reserve funds must be allocated to the specific reserve fund that earned it. There are two types of reserve funds:

- **Obligatory Reserve Funds** shall be created whenever a statute or legislation requires that revenue received for special purposes are to be segregated from the general revenues of the Town. Obligatory reserve funds are created solely for the purpose prescribed for them.
- **Discretionary Reserve Funds** are established whenever Council wishes to set aside revenues to finance a future expenditure or to provide for a specific contingent liability, for which it has authority to spend money, so that the funds are available as required.

Reserve & Reserve Fund Listing:

Reserve Name	Fund No	Purpose of Fund	Funding Sources	Utilization of Funds
Obligatory Reserve Funds				
Development Charges				
- Transportation	11	Legislated under the Development Charges Act to fund growth related capital costs.	Contributions received from Developers as per the DC By-Law.	Growth related capital costs identified in the DC Study.
- Storm Water Management	12			
- Parking	13			
- Fire Services	14			
- Recreation & Parks	15			
- Library Services	16			
- Administration	17			
- Transportation Services	18			
Building Permit	21	To address likely ranges in year-to-year volatility of service volumes in accordance with the Building Code Act. The reserve is used to defer revenues received in advance of work being performed.	1. Annual revenue received in advance of associated expenses based on expense to revenue formula 2. Building permit fees collected between September and December are deferred to the following year	Activities that support the delivery of building permit services and are embedded in the building permit fee structure.
Canada Gas Tax Funding	22	To fund infrastructure capital projects in accordance with the terms of the Municipal Funding Agreement.	Federal Government contributions delivered through AMO	Eligible programs outlined in the Municipal Funding Agreement.
Deferred Federal Grants	23	To track revenues received from government grants and fund programs and capital projects identified in the grant agreements.	Government grant contributions	Eligible programs outlined in the government grant funding agreement.
Parkland: Cash-in-Lieu	25	To fund the acquisition of land for parks or to fund the development of parkland.	Contributions received in lieu of land being conveyed to the Town for parkland requirements as per the Planning Act	Purchase of land for parks or recreational purpose and development or redevelopment of land, parks and recreational facilities.
Public Benefits	26	To fund facilities, services and other matters as set out in the Zoning By-law and permitted by Section 37 of the Planning Act.	Provisions received in return for authorized increases in the height and density of development permitted by the Zoning By-law.	Purchase of or improvements to facilities, services and other matters as set out in the Zoning By-law and permitted by Section 37 of the Planning Act.

Reserve Name	Fund No	Purpose of Fund	Funding Sources	Utilization of Funds
Discretionary Reserve Funds				
John Elliott Award	60	Established in 1981, in memory of the late John Elliott, for the purpose of awards to students of Georgetown District High School.	One time donation of \$10,000 in memory of the late John Elliott	Guidelines on awards as outlined in By-law 81-153.
Capital Reserves				
Capital Replacement	39	To fund the replacement or extend the useful life of existing capital assets.	1. Annual operating contribution as informed by the Corporate Asset Management Plan 2. Gains on sale of buildings	Replacement or renewal of assets as identified and prioritized in the Corporate Asset Management Plan, or to minimize risk by completing emergency repairs. Major rehabilitation of existing buildings or assets.
Cemetery Development	66	To provide for the purchase, replacement and expansion of capital items related to Cemetery operations.	Annual operating contributions	Capital costs of future columbarium purchases and expansion as well as renewal costs of existing columbarium.
Equipment	52	To fund the replacement of the Town's rolling stock and equipment.	1. Annual operating contributions 2. Gains on sale of equipment	Purchase of operations vehicles and equipment, fire trucks, special transit buses, recreation equipment and vehicles, and by-law enforcement vehicles.
Library	74	To fund the Library non-growth capital projects and operating budget deficits for the Library.	1. Annual operating surplus from the Library 2. Additional funding will be provided by the Town to the Library Board should unplanned non-discretionary cost increases occur within any given budget year	Capital requirements of the Library as it relates to non-growth capital projects and annual operating budget deficits.
New Capital	40	To fund new capital assets.	1. Funded through the phase-out of the GTA pooling at the Region to a \$2M per year cap 2. Annual operating contribution 3. Gains on sale of surplus land	Supplement non-development charge costs of growth-related capital projects. Construction costs of new infrastructure.

Reserve Name	Fund No	Purpose of Fund	Funding Sources	Utilization of Funds
Capital Reserves				
Public Art	79	To fund the installation of public art on Town-owned property or within Town-owned infrastructure in accordance with the Public Art Policy.	Annual operating contribution	Planning, design, fabrication and installation of public art on Town-owned property or within Town-owned infrastructure. The development and updating of a Public Art Master Plan.
Technology Replacement	31	To fund the replacement of computer hardware based on a replacement cycle and computer software acquisitions.	1. Annual operating contributions 2. Gains on sale of information technology equipment	Purchase of computer hardware and software outlined in the 10 year capital forecast and associated training costs.
Transportation Infrastructure	55	To fund the rehabilitation and replacement of transportation infrastructure assets.	Annual operating contribution	Replacement or rehabilitation costs to extend the useful life of transportation infrastructure assets including roads, sidewalks parking lots and associated assets.
Stabilization Reserves				
Contingency	34	To provide for unforeseen expenditures or uncertain liabilities including unplanned changes affecting the Town's operations.	Contribution of interest earned in excess of budgeted amount	Unforeseen and emergency expenditures as well as uncertain new expenditures.
Severe Weather Event	51	To set aside funding for winter control costs which exceed the Town's current year operating budget allocation.	Annual operating contribution	Annual winter control deficits or severe weather events.
Tax Rate Stabilization	36	To mitigate tax rate changes during the preparation of the annual operating budget and to protect the Town against unanticipated operating expenditures or to smooth expenditures that do not occur annually.	Annual operating contribution	One-time expenditures identified through the operating budget or annual operating deficits.

Reserve Name	Fund No	Purpose of Fund	Funding Sources	Utilization of Funds
Operating Reserves				
Community Sustainability	77	To support community projects related to the environment and sustainability.	Donation from TransCanada Energy	Community projects that support Council's objectives related to the environment and sustainability. Includes the Corporate Sustainability Action Plan initiatives and funding for the Community Sustainability Investment Fund.
Fire Services	70	To support the incremental hiring of full time fire staff and increases to operating costs to support full time future operations of the Fire Department as the Town grows..	Annual operating contribution	Annual operating costs associated with hiring full time fire staff in the Fire Department. Contingencies to support changes to future operations of the department.
Georgetown Hospital Expansion and Renovation	38	To fund the debenture costs associated with the Town's share of the 2011 Georgetown Hospital redevelopment.	Annual operating contribution	Debenture payments for Georgetown Hospital redevelopment. Repayment to be completed in 2021.
Strategic Planning	41	To fund programs which support the strategic direction of Council.	Annual operating contribution	Capital projects and programs that support the strategic direction of Council as prioritized by the capital ranking of NTCA projects.
WSIB	32	The Town is classified as a "Schedule 2" employer and is responsible for the costs of its workers' compensation claims.	Annual operating contribution	Accident claims filed by employees who are injured in the workplace. Claims filed by employees or their survivors for work-related occupational diseases as set out in the applicable Regulation.

Reserves, Discretionary Reserve Funds, Obligatory Reserve Funds & Trust Funds Status as of September 30, 2020

On July 17, 2018 Council approved changes to the General Reserve and Reserve Fund Policy, POLICY-2018-0004 through report CORPSERV-2018-0030. Changes included the amalgamation of various existing reserves, the addition of new reserves, and clarification around the intent and usage of reserves. Reserve balances will be reviewed during the last quarter of 2020 to ensure the balances align with the requirements of the reserve.

The attached schedules A to D illustrate the opening balances as at January 1, 2020, the activity from January to June 2019, un-booked commitments against the funds and any inter-fund borrowing.

The opening balance column reflects the balance of the reserves, discretionary reserve funds, obligatory reserve funds and trust funds that were reported in the published financial statements. This amount includes the final distribution of the 2019 operating surplus and it does not include any unrecorded amounts or inter-fund loans.

The activity from January to September 2020 includes the interest that has been earned on the reserves, discretionary reserve funds, obligatory reserve funds and trust funds during the period and movements in and out of the funds. In accordance with Council approval, the Treasurer can authorize the reallocation of funds between reserves to meet the needs identified in the Long Range Financial Plan and the Town's capital program.

The inter-fund loan column represents the cash borrowing between reserves and reserve funds. Reserves have currently loaned \$19,169,607 to cover shortfalls in the obligatory reserve funds and \$512,447 to the operating fund. The reserves will be repaid when additional obligatory reserve funds are received and when loan agreements are fulfilled.

Summary schedule A represents a summary of the detailed schedules B to D, with schedule B listing the Town's reserves and discretionary reserve funds, schedule C lists the obligatory reserve funds, and schedule D shows the trust funds that the Town administers.

Reserve and Reserve Funds

2021

Town of Halton Hills

Summary of Reserves, Reserve Funds and Trust Funds

September 30, 2020

Schedule A

September 30, 2020

							Estimated3		Estimated
	Opening Bal2				Balance	Interfund	Unbooked	Unbooked	Balance
Schedule	1-Jan-20	Additions	Reductions	Interest	30-Sep-20	Loans	Additions	Commitments	31-Dec-20
Schedule B Reserves & Discretionary Reserve Funds									
Capital Reserves	37,841,380	9,616,539	(8,379,399)	675,539	39,754,060	(18,712,895)	8,142,603	(8,429,511)	20,754,256
Stabilization Reserves	10,074,096	979,350	(1,864,686)	-	9,188,760	-	326,450	(1,049,198)	8,466,012
Operating Reserves	7,558,289	423,819	(1,690,311)	-	6,291,797	(969,159)	321,300	(80,275)	5,563,663
Discretionary	10,335	-	-	234	10,570	-	-	-	10,570
Schedule C Obligatory Reserve Funds									
Development Charges	(3,366,837)	2,378,750	(6,852,376)	222,629	(7,617,834)	19,169,607	7,895,731	(19,430,366)	17,140
Other Deferred Revenue	18,764,547	2,383,435	(5,413,182)	436,443	16,171,243	-	1,432,784	(2,757,083)	14,846,944
Schedule D Trust Funds									
Operating Fund	2,745,268	215,954	(20,838)	54,003	2,994,387	-	-	-	2,994,387
						512,447		2,623,382.00	3,135,829
Grand Total	73,627,079	15,997,847	(24,220,791)	1,388,849	66,792,983	-	18,118,868	(29,123,051)	55,788,801

Notes:

1. Due to rounding, numbers presented in this table may not add up precisely to the totals provided.
2. Unbooked additions and commitments are estimated and could vary by year end.

Reserve and Reserve Funds

2021

Town of Halton Hills
Reserves & Discretionary Reserve Funds
September 30, 2020

Schedule B

								Estimated2		Estimated
		Opening Bal.				Balance	Interfund	Unbooked	Unbooked	Balance
Reserve	Fund	1-Jan-20	Additions	Reductions	Interest	30-Sep-20	Loans	Additions	Commitments	31-Dec-20
Capital Reserves										
Capital Replacement	39	8,451,316	5,271,383	(4,131,684)	181,008	9,772,023	(512,447)	1,075,609	(19,482)	10,315,704
Cemetery Development	66	34,236	31,178	(30,000)	-	35,415	-	10,393	-	45,807
Equipment	52	2,682,869	1,695,270	(1,432,500)	-	2,945,639	-	565,090	-	3,510,729
Library Capital	74	401,338	26,775	(89,300)	-	338,813	-	9,025	-	347,838
New Capital 3	40	20,785,449	2,124,827	(997,871)	494,531	22,406,936	(18,200,448)	6,216,361	(8,357,850)	2,064,999
Public Art Reserve	79	60,230	29,850	(11,000)	-	79,080	-	9,950	(46,430)	42,600
Technology Replacement	31	1,390,427	135,525	(1,128,000)	-	397,952	-	45,175	-	443,127
Transportation Infrastructure	55	4,035,514	300,000	(559,043)	-	3,776,471	-	211,000	(5,750)	3,981,721
Energy Revolving Fund	42	-	1,730	-	-	1,730	-	-	-	1,730
Total Capital Reserves		37,841,380	9,616,539	(8,379,399)	675,539	39,754,060	(18,712,895)	8,142,603	(8,429,511)	20,754,256
Stabilization Reserves										
Contingency	34	3,102,769	-	(74,638)	-	3,028,131	-	-	(818,250)	2,209,881
Severe Weather Event	51	750,000	-	-	-	750,000	-	-	-	750,000
Tax Rate Stabilization	36	6,221,327	979,350	(1,790,048)	-	5,410,629	-	326,450	(230,948)	5,506,131
Total Stabilization Reserves		10,074,096	979,350	(1,864,686)	-	9,188,760	-	326,450	(1,049,198)	8,466,012
Operating Reserves										
Community Sustainability Reserve	77	-	-	-	-	-	-	-	-	-
Fire Services	70	5,267,116	356,434	(240,825)	-	5,382,725	(969,159)	300,200	(80,275)	4,633,491
Georgetown Hospital Exp & Reno	38	522,682	29,885	-	-	552,567	-	8,600	-	561,167
Strategic Planning	41	1,022,670	-	(1,449,486)	-	(426,816)	-	-	-	(426,816)
WSIB	32	745,820	37,500	-	-	783,320	-	12,500	-	795,820
Total Operating Reserves		7,558,289	423,819	(1,690,311)	-	6,291,797	(969,159)	321,300	(80,275)	5,563,663
Discretionary Reserve Fund										
John Elliott Award	60	10,335	-	-	234	10,570	-	-	-	10,570
Total Discretionary Reserve Funds		10,335	-	-	234	10,570	-	-	-	10,570
Total Reserves										
		55,484,100	11,019,708	(11,934,396)	675,773	55,245,186	(19,682,054)	8,790,353	(9,558,984)	34,794,501

Notes:

1. Due to rounding, numbers presented in this table may not add up precisely to the totals provided.
2. Unbooked additions and commitments are estimated and could vary by year end.
3. Includes an additional inter-fund loan to DC reserve funds as currently estimated at \$6.9M. This is an estimated value and the final amount will be determined based on actual DC collections as part of the year-end process.

Reserve and Reserve Funds

2021

Town of Halton Hills
Obligatory Reserve Funds
September 30, 2020

Schedule C

Reserve Fund	Fund	Opening Bal.		Additions	Reductions	Interest	Balance 30-Sep-20	Interfund Loans	Estimated2		Estimated
		1-Jan-20							Unbooked Additions	Unbooked Commitments	Balance 31-Dec-20
Obligatory Reserve Funds (Deferred Revenue)											
Development Charges											
DC Clearing Fund	10	-	-	-	-	-	-	-	-	-	-
Transportation Services	11	7,486,031	894,410	(2,648,518)	169,822	5,901,744	573,991	572,425	(8,349,939)	(1,301,779)	
Storm Water Management Services	12	(648,104)	26,166	-	-	(621,938)	795,183	5,318	(276,316)	(97,753)	
Municipal Parking Services	13	(285,300)	7,136	-	-	(278,164)	285,300	606	(36,378)	(28,636)	
Fire Protection Services	14	(1,463,510)	68,984	-	-	(1,394,526)	1,475,509	9,470	(251,843)	(161,390)	
Recreation and Parks Services	15	(8,737,682)	1,165,588	(3,088,479)	31,173	(10,629,400)	14,378,815	118,071	(8,151,055)	(4,283,569)	
Library Services	16	(521,434)	154,618	(172,017)	642	(538,191)	893,636	26,899	(699,245)	(316,901)	
Administration Services	17	789,197	59,469	(943,363)	20,657	(74,040)	767,172	283,593	(1,665,589)	(688,864)	
Transit Services	18	13,966	2,379	-	336	16,681	-	458	-	17,140	
Estimated Year End Interfund Loan3		-	-	-	-	-	-	6,878,891	-	6,878,891	
Total Development Charges		(3,366,837)	2,378,750	(6,852,376)	222,629	(7,617,834)	19,169,607	7,895,731	(19,430,366)	17,140	
Other											
Building Permit	21	4,903,657	175,130	(266,723)	108,326	4,920,389	-	74,443	(916,447)	4,078,385	
Canada Gas Tax Funding	22	4,219,585	1,855,394	(5,047,449)	108,366	1,135,896	-	-	-	1,135,896	
Deferred Federal Grants	23	345,393	71,987	-	7,958	425,338	-	1,334,372	(1,479,712)	279,998	
Parkland: Cash-in-Lieu	25	5,940,227	280,924	(27,761)	135,668	6,329,058	-	23,969	(280,924)	6,072,103	
Transportation Maintenance	26	2,931,375	-	(71,248)	66,499	2,926,625	-	-	(80,000)	2,846,625	
Gateway Feature	27	174,844	-	-	3,966	178,810	-	-	-	178,810	
Private Traffic Signal Maintenance Fund	28	249,467	-	-	5,659	255,127	-	-	-	255,127	
Total Other		18,764,547	2,383,435	(5,413,182)	436,443	16,171,243	-	1,432,784	(2,757,083)	14,846,944	
Total Obligatory Reserve Funds		15,397,710	4,762,185	(12,265,558)	659,072	8,553,409	19,169,607	9,328,515	(22,187,448)	14,864,083	

Notes:

1. Due to rounding, numbers presented in this table may not add up precisely to the totals provided.
2. Unbooked additions and commitments are estimated and could vary by year end.
3. The year-end interfund loan is an estimated value. The final amount will be determined based on actual DC collections as part of the year-end process.

Reserve and Reserve Funds

2021

Town of Halton Hills
Schedule D Trust Funds
September 30, 2020

Schedule D

September 30, 2020

Trust Fund	Fund	Opening Bal.				Balance 30-Sep-20	Interfund Loans	Estimated		Estimated Balance 31-Dec-20
		1-Jan-20	Additions	Reductions	Interest			Unbooked Additions	Unbooked Commitment	
Trust Funds										
Fairview Cemetery	80	529,812	7,189	(6,017)	12,034	543,018	-	-	-	543,018
Fairview Monuments	81	83,632	1,550	-	1,907	87,089	-	-	-	87,089
Greenwood Cemetery	82	1,171,832	22,064	(13,325)	26,650	1,207,221	-	-	-	1,207,221
Greenwood Monuments	83	200,900	2,150	-	4,574	207,624.24	-	-	-	207,624
Hornby Presbyterian Cemetery	84	865	-	(10)	20	875	-	-	-	875
Limehouse Presbyterian Cemetery	85	33,654	1,860	(945)	784	35,353	-	-	-	35,353
Limehouse Presbyterian Monuments	86	4,167	50	(117)	93	4,193	-	-	-	4,193
Union Presbyterian Cemetery	87	3,535	-	-	80	3,615	-	-	-	3,615
Union Presbyterian Monuments	88	957	-	-	22	979	-	-	-	979
Hillcrest Cemetery	89	269,290	12,721	-	2,536	284,547	-	-	-	284,547
Wm. Osler Health Cntr.-Geo. Hosp. Campus	91	15,115	-	(424)	334	15,025	-	-	-	15,025
Hillcrest Investments	93	375,302	42,000	-	3,397	420,698	-	-	-	420,698
Hillcrest Bequest	94	56,209	126,369	-	1,023	183,601	-	-	-	183,601
Transportation Maintenance	98	-	-	-	550	550	-	-	-	550
Total Trust Funds		2,745,268	215,954	(20,838)	54,003	2,994,387	-	-	-	2,994,387

Notes:

1. Due to rounding, numbers presented in this table may not add up precisely to the totals provided.

Special Tax Levies

Special Tax Levies are established by the Town to assist with programs for a designated or specific purpose. At the end of 2020 the Town has seven such levies; the *Georgetown Hospital, Fire Services, Pavement Management, Infrastructure, Arena Program, Fair Workplaces, Better Jobs Act 2017* and the *Infrastructure Gap* Special Levies.

The *Georgetown Hospital* Levy was created in 2011 to fund the Georgetown renovation and expansion project as outlined in report ADMIN-2011-0020. This levy fulfilled its original purpose during 2020.

The *Fire Services* Levy was created in 2006 to support the hiring of fire personnel and the debenture payments on construction of the new fire halls. Increases to the levy were capped in the 2019 budget year, as a result of the acceleration of the objectives of the Fire Services Master Plan.

The *Pavement Management* Levy was created in 2003 to fund the Pavement Management Program as outlined in report ENG-2003-0015.

The Special *Infrastructure* Levy was created in 2008 to fund the construction and/or maintenance of Town community infrastructure as outlined in report ADMIN-2008-0002.

The *Arena Program* Levy was created to raise funds necessary for the financing of the arena construction program. This levy began in 2013 and will continue to be collected until mid way through 2021. The entire levy will have fulfilled its purpose for the 2022 budget year.

The *Fair Workplaces, Better Jobs Act, 2017* Levy was created in 2018 to support the legislated increases in the minimum wage and benefits for part-time staff. The full impact of the Provincial legislation did not come into effect as forecast, resulting in the ability to reduce this special levy by \$32,000.

The *Infrastructure Gap* Levy was introduced in the 2019 budget year at 0.6% of the net tax levy in order to address long term capital needs for replacement infrastructure as identified in the State of Infrastructure Report. An annual increase of 0.6% is recommended in the 2021 budget to continue to support the replacement and adaptation of core assets in the context of climate change.

The *Financial Sustainability* Levy is proposed to be introduced in 2021 and support on-going fiscal sustainability as the Town faces challenges pertaining to slower than planned growth and the COVID-19 pandemic.