

2022 Budget Deliberations: Treasurer's Progress Review



January 25, 2022
Finance and Labour Relations Committee

Today's Objectives

- To continue Council deliberations around the 2022 draft budget, starting with a summary of approved changes to date
- To review the expansion requests presented in the draft budget
- To review the divisional budgets, obtaining any necessary information from staff for specific line items, and deliberating on any items requiring discussion by Council



Updates

- Staff continue to review individual expense and revenue lines, seeking opportunities where appropriate to utilize existing reserves, in the case of 'one-time' kinds of expenses or decreases to revenues
- The 2021 budget year presentation included temporary decreases to service delivery costs such as salaries or materials related to activities that were paused due to Covid-19.
- The 2022 budget has been prepared on the expectation that operations will resume to pre-Covid levels so this represents additions back into the budget.
- Just a reminder, prior year surpluses have been used to assist with budget pressures in the form of 'transfers from reserves', specifically the tax stabilization reserve, of \$1,000,000



Updates

- Additional items identified that influence the increase in the proposed levy
 - Initial draft budget included an addition proposed to the Community Grants line to support the curling event. A subsequent staff report identified an appropriate alternative source of funding that existed in the special projects reserve fund. Adjusting this figure reduces the proposed levy a further \$39,600
 - In the Development Services draft budget there is a \$10,000 transfer to the reserve for purposes of the official plan work. But it has been determined that there is sufficient funding available in the City's own reserves and development charges so this transfer is no longer required for this activity reducing the proposed levy increase



Updates

- In the Development Services draft budget, there was a duplication relating to recoveries for custodial services from Tourism of \$50,510 which increases the proposed levy
- In the Recreation Capital Budget, addition of My Main Street Community Activator Grant of \$90,000 for stage and seating and corresponding capital expense. No impact to the net levy proposed.
- In the CAO budget, identified that the Go Train project included in the Special Projects line item can be funded from the Administrative Studies Reserve, which reduces the proposed levy \$30,000
- In the CAO budget, propose removing transfer to reserve of \$15,000 which reduces the proposed levy \$15,000



Updates

- In CAO budget, adding a revenue (transfer from reserves) and expense (consulting costs) relating to leadership training (no levy impact)
- An additional strategy discussed but not decided yet is staggering the impact of the new initiatives being proposed under 'Expansion Requests'
- Some of these initiatives will take some time to get going so Council could consider phasing-in the impact of these.
- Including this effect increases the total 2022 proposed levy by \$211,497
- Total impacts from this update = increase of \$212,407 including expansion requests or \$910 excluding expansion requests



Tax Supported Operating Budget

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|--|------------------|
| Total Tax Levy in dollars (2021) | \$63,457,399 |
| Total proposed Increase to the tax Levy (2022) | \$4,760,252 |
| Plus Expansion Considerations | <u>\$211,497</u> |
| | \$4,971,741 |
| Total taxation dollars proposed (2022) | \$68,429,148 |



Tax Supported Operating Budget

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|---|-------|
| Preliminary Net Budget (Levy) Increase \$6,683,132 | 10.5% |
| After Mitigating Adjustments (\$1.200,000) \$5,483,132 | 8.6% |
| After Reflecting updates previous meetings | 7.7% |
| After Proposed changes identified in previous slide (including expansion requests) | 7.8% |

After 'blending' estimated education tax rates, and looking at estimated growth, expected residential tax rate increase approximately 5.2%

Estimated \$20.58/month (\$247.01 annual) increase on a home assessed at \$350,000*



Next Steps

- Council consideration of further amendments to the draft budget as identified in this presentation (a decrease of \$94,600 OR increase of \$116,197 to phase-in expansion requests)
- Deliberations today, January 25 and continuing Jan 31, as required.
- Start with divisional operating budgets (questions or specific items to be identified by Council members) by division and capturing any resulting changes that may affect the capital programs as well
- Final Council approval by by-law anticipated February 14, 2022 (staff recommendation).



Questions

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