

# Staff Report

Report From: Daniel Waechter, Chief Financial Officer / Treasurer  
Meeting Date: February 22, 2021  
Subject: 2021 Municipal Budget  
Attachments: Schedules A-G

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## **Recommendation**

That Council approve the Municipal Budget for the year 2021 as follows:

	<b>Operating</b>	<b>Capital</b>	<b>Total 2021 Budget</b>
Expenditures	26,923,607	21,039,599	47,963,206
Net Reserve Contributions	7,378,447	-5,986,276	1,392,171
Revenues & Other Funding	18,019,248	13,360,236	31,379,484
Total Municipal Taxation	16,282,806	1,693,087	17,975,893

That the Town of Saugeen Shores Tax Levy be set to \$17,975,893;

That the BIA levies for 2021 be set at \$33,000 for the Port Elgin BIA and \$29,350 for the Southampton BIA; and

That Council pass the Tax Levy By-law establishing the 2021 Tax Rates at a future date.

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## **Report Summary**

The Reports outlines the approved Municipal 2021 Budget, based on the outlines assumptions. A Town of Saugeen Shores Tax Levy set at \$17,975,893 will result in a combined blended tax rate increase of 2.00%. This represents a \$80.41 increase to the average household assessed at \$343,891.

## **Background/Analysis**

Staff have determined the total municipal levy that will likely result in a 2.00% blended tax rate. However, the County of Bruce has not formally determined or gained final approval for the final 2021 County tax rates. If the County's final tax rate differs substantially from the current estimate, Town staff will return to Council to inform them of the resulting blended rate increase if it differs from 2.00%. Council would then have the option to amend the levy prior to approving the 2021 Tax By-law.

The final education rates from the Province reduced the Business Education Tax, but did not reduce the rate for residential properties as was done in recent years. Staff had been planning for a small reduction in the education rate for residential properties. In addition, total County wide assessment growth was lower than estimated, resulting in a higher than expected County tax rate.

These changes result in the 2021 increased contribution to the Legacy Reserve Fund being \$255,597. This is lower than the previous estimate that was provided to Council.

The following changes have been made from the draft budget after direction was received from the Council initial budget meeting in December and the January 11<sup>th</sup> Committee of the Whole meeting:

#### Changes to the Tax Levy Requirements

(\$94,500) – IT Capital changed from Tax funding to Modernization Grant Reserve funding

(\$50,000) – Sharman Park steps changed from Tax funding to NWMO Reserve funding (staff chosen funding source)

(\$20,000) – Biener 1 Clay Infield & Irrigation – \$40,000 Tax funding for project removed and \$20,000 added to Parks reserve (set aside specifically for Biener 1)

\$2,500 – Huron Shores Hospice donation

\$255,597 - Increased contribution to the Legacy Reserve Fund (\$2,416,597 total contribution)

\$44 – Additional SVCA Levy amount

(\$20,993) – Reduced Saugeen Mobility & Regional Transit funding

\$35,000 – Capital Sidewalk Program increase from \$35,000 to \$70,000

\$30,000 – Solar lighting for Port Elgin gateway signs

\$50,000 – Paved shoulders – Doll Sideroad from Conc. 14 to Bruce Rd. 3

\$45,000 – CAO led staff training and organizational capacity building initiatives

#### Changes Funded by Transfers To/From Reserves and Reserve Funds

\$48,936 – Increased insurance cost from final insurance billing estimate, offset by a transfer from the Insurance Reserve

(\$100,000) – Safe Restart Agreement Phase 2 funding being transferred directly to the Safe Restart Agreement Reserve

\$30,023 – Furnishings for the Police Services building, approved by the Police Services Board and funded from the Police Building Reserve

**Schedule “A”** is the summary of each department’s burden on the tax levy for 2021 compared to the 2020 approved budget.

**Schedule “B”** provides a summary of the 2021 Capital Budget.

**Schedule “C”** illustrates the 2021 property tax rates and levies by Assessment Class compared to 2020.

**Schedule “D”** illustrates the impact of the proposed 2021 tax rates on a typical residential property in Saugeen Shores.

**Schedule “E”** provides a comparison of the blended rate in 2021 compared to 2020 for each Assessment Class.

**Schedule “F”** outlines the projected Reserve and Reserve Fund activity to December 31, 2021.

**Schedule “G”** provides additional staff responses to items raised during initial budget deliberations.

The 2021 Budget includes a recommendation of net transfers totalling \$1,392,171 to our Reserve and Reserve Fund Accounts through operating and capital activity.

	<b>2021 Projected</b>
Transfers to Reserve & Reserve Funds	\$7,965,386
Transfers from Reserve & Reserve Funds	\$6,573,215
Reserve Year-End Balance	\$38,953,365

The summary of 2021 Operating and Capital Budgets and related schedules will be available on the Treasury page of the municipal website at saugeenshores.ca once approved.

## **Linkages**

- Corporate Strategic Plan Priority #2: Improve Operational Effectiveness

## **Financial Impacts/Source of Funding**

2021 Tax Levy of \$17,975,893.

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Prepared By: Daniel Waechter, Chief Financial Officer / Treasurer

Reviewed By: Sue Murray, Director, Corporate Services

Approved By: Kara Van Myall, Chief Administrative Officer Original Signed