

Staff Report

Report From: Daniel Waechter, Chief Financial Officer / Treasurer
Meeting Date: January 24, 2022
Subject: 2022 Municipal Budget
Attachments: Schedules A-G

Recommendation

That Council approve the Municipal Budget for the year 2022, as follows:

	Operating	Capital	Total 2022 Budget
Expenses	29,319,453	19,454,114	48,773,567
Net Reserve Contributions	6,917,018	-9,695,832	-2,778,814
Revenues & Other Funding	18,699,508	8,049,750	26,749,258
Total Municipal Taxation	17,536,963	1,708,532	19,245,495

That the Town of Saugeen Shores Tax Levy for 2022 be set to \$19,245,495; and

That the BIA levies for 2022 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 2022 Tax Rates at a future date.

Report Summary

This report provides detail on the Municipal 2022 Budget, based on the outlined assumptions. A Town of Saugeen Shores Tax Levy set at \$19,245,495 will result in an estimated combined blended tax rate increase of 4.50%. This represents a \$186.30 increase to the average household assessed at \$346,855. The lower-tier municipal portion of the increase to the average household is \$97.62, and the lower-tier municipal rate increase is 4.49%.

Background/Analysis

During the December 7, 2021 Budget Meeting, Council gave direction to staff to inform the final budget. Part of that direction was to receive a final budget report with a 4.50% blended tax rate increase. Staff have determined an estimate for the total municipal levy that is anticipated to result in a 4.50% blended tax rate.

The Province of Ontario has provided guidance that the final 2022 Education tax rates will remain unchanged from the 2021 rates; Town staff have been using estimates with the assumption of an unchanged Education tax rate throughout the budget process. The County of Bruce has also provided preliminary information, but the County's final tax rate has not formally approved for the 2022 County tax rates. If the Education tax rate or the County's final tax rate differs substantially from the currently provided values, the proposed levy of \$19,245,495 may represent a blended tax rate different from 4.50%.

Town staff will return to Council to approve the 2022 Tax By-law and will provide the final blended rate at that time.

Changes have been made from the original draft budget after the direction was received from the Council's initial budget meetings on November 30, 2021 and December 7, 2021. Town staff has also made additional changes based on information received. All changes from the original budget proposal are shown in Schedule "G".

One-Time Reserve Transfers intended for Tax Rate Stabilization:

The draft budget included a \$171,468 transfer from the Future Capital Reserve to present a budget within the targeted tax rate. To meet the target of a 4.50% blended tax rate increase, this transfer has been increased to \$269,947. There is also an additional transfer from the Future Capital Reserve of \$85,000 to cover additional insurance premiums based on the final proposal from the Town's insurance broker (shown in Schedule "G").

The total transfer from reserves for Tax Rate Stabilization is \$354,947.

Ontario Community Infrastructure Fund (OCIF)

The Town of Saugeen Shores received notice of a final OCIF allocation notice for 2022 of \$1,738,454, which is \$889,844 higher than the estimate in the original budget. \$520,000 of this new amount has been allocated as per Council direction during the December 7, 2021 budget meeting. \$369,844 remains unallocated and will be allocated through separate Council reports in 2022 as needed.

Schedule "A" is the summary of each department's burden on the tax levy for 2022 compared to the 2021 approved budget.

Schedule "B" provides a summary of the 2022 Capital Budget.

Schedule "C" illustrates the 2022 property tax rates and levies by Assessment Class compared to 2021.

Schedule "D" illustrates the impact of the proposed 2022 tax rates on a typical residential property in Saugeen Shores.

Schedule "E" provides a comparison of the blended rate in 2022 compared to 2021 for each Assessment Class.

Schedule "F" outlines the projected Reserve and Reserve Fund activity to December 31, 2022.

Schedule "G" outlines the individual changes from the original draft budget presented to Council on November 30, 2021 and December 7, 2021.

The 2022 Budget includes a recommendation of net transfers totalling \$2,782,876 from our Reserve and Reserve Fund Accounts through operating and capital activity.

	2022 Projected
Transfers to Reserve & Reserve Funds	\$7,681,128
Transfers from Reserve & Reserve Funds	\$10,459,942
Reserve Year-End Balance	\$31,035,729

The summary of 2022 Operating and Capital Budgets and related schedules will be available on the Treasury page of the Town website at saugeenshores.ca once approved.

Linkages

- Corporate Strategic Plan Priority #1: Facilitate Appropriate Growth in our Communities

Financial Impacts/Source of Funding

2022 Tax Levy of \$19,245,495.

Prepared By: Daniel Waechter, Chief Financial Officer / Treasurer

Reviewed By: Janice Stubbs, Acting Director, Corporate Services

Approved By: Kara Van Myall, Chief Administrative Officer