



STAFF REPORT

Meeting Date: February 14, 2022

Title: 2022 Budget

Prepared By: Steven Lansdell-Roll

Department: Finance

Report Number: Finance-2022-006

Recommendation:

THAT Council adopt By-Law 2022-10 for the 2022 Budget.

Background:

The annual budget process is mandated by Section 290 of the Municipal Act, 2001.

The 2022 Budget process began in February 2021 with the finalization and presentation of the 2022 Budget Calendar.

The 2022 Budget Calendar called for Council to pass the 2022 Budget (Operating and Capital) in December 2021, but in November 2021 Council approved deferring the approval of the 2022 Budget until February 2022

Discussion:

2022 Operating Budget

The Operating budget includes the following:

- No service level reductions
- ~\$570K property tax levy increase (3.91% increase)
- ~\$858K in City funded Capital out of Taxation
- Police transition to OPP Contract (February 24, 2022)
 - ~\$1.1M in increased Operating costs (2021 to 2022)

- ~\$1.7M in estimated Uniformed Police Disbandment costs, funded through a transfer from the Legacy Reserve Fund
- ~\$372K in estimated Civilian Police Disbandment costs, funded through a transfer from the General Operating Reserve
- ~\$723K in one-time OPP "Start-Up" costs, funded through a transfer from the General Capital Reserve Fund
- ~\$416K in one-time OPP facility upgrades, funded through a transfer from the Emergency Capital Reserve
- 10% water/sewer rate increase (approved by Council in December 2021)
 - Required to fund Water & Sewer Operations, 2022 Water & Sewer Capital requirements and 2022 Reserve Fund allocations (planning for the future)
- ~\$107K reduction in OMPF funding
- ~\$216K in estimated labour (salary & benefits) inflation – Union and Non-Union
- ~\$82K (15%) in increased insurance premiums
- ~\$611K in allocations to Reserves/Reserve Funds from Operations
 - \$198K allocated to the Waterfront Development Reserve Fund (source is MAT Revenue)
 - \$9K allocated to the Dryden Fire Services (DFS) Apparatus/Equipment Reserve Fund (source is Fire Marque Revenue)
 - \$60K allocated to the General Capital Reserve Fund (source is taxations - repayment of funds "borrowed" for the LED Streetlight Conversion project)
 - \$20K allocated to the Land Sale Reserve Fund (source is advertising revenue - repayment of funds "borrowed" for the Highway Entrance Sign project)
 - ~\$139K allocated to the Sanitary/Wastewater Reserve Fund (source is Sewer Rate Revenue)
 - ~\$185K allocated to the Waterworks Reserve Fund (source is Water Rate Revenue)
- ~1.06M in Debt Servicing costs
- ~\$302K in RATI Funding allocated to the Airport to balance the Airport's 2022 Operating budget (received in 2021 and allocated to the Operating Reserve)

Currently, the Operating Budget does not include the following:

- Change in the Large Industrial Tax Ratio

2022 Capital Plan

The Capital Budget, as presented, for the “above the line” Capital projects calls for:

- ~\$7.65M in Capital Spend
 - ~\$4.74M from External Sources (Federal Gas Tax, ICIP, ACAP, Connecting Links, etc.)
 - ~\$1.13M from Reserves/Reserve Funds
 - ~\$0.86M from Taxation
 - ~\$0.86M from Water Rate Revenue
 - ~\$0.06M from Sewer Rate Revenue

Financial Implications:

Current Budget Allocation:

Account #:

Attachments (Reference Material):

- **By-Law 2022-10**
- **Schedules A & B**