



STAFF REPORT

Department: Corporate Services

Meeting Chair: Deputy Mayor Gerard La Chapelle

Meeting Date: November 11, 2021

Report No.: **CS-2021-87**

Report Title: **2022 Operating and Capital Budget – Common Overview**

RECOMMENDATION:

That Staff Report No. CS-2021-87 regarding the 2022 Operating and Capital Budget be received for information.

INTRODUCTION/BACKGROUND:

The 2022 operating and capital, including the 4 year forecast of future budget pressures was presented and discussed at the Committee meetings held on October 13th and October 14th.

This report highlights the significant changes that have been incorporated into the Operating and Capital Budget for since the budget was presented to Committee on October 14th. The changes are the result of the direction provided by Council at its meeting held on October 27th, recent funding announcement from Province of Ontario, as well as further refinements to the preliminary estimates made by staff.

ANALYSIS:

Significant Changes to the Operating Budget

The 2022 operating and capital budget was presented at the standing committee's on October 13th and October 14th and has since been updated with the following changes.

Assessment Growth: MPAC has revised assessment growth from 2.81% to 2.0% resulting in decrease in assessment growth of \$80,000

OMPF funding: The OMPF funding has been increased by \$73,800. Staff had anticipated and budgeted for a reduction in the funding. The recent announcement from the Ontario Ministry of Finance indicates there is no change in OMPF funding and it will remain at \$1,104,500 for 2022. This will mostly offset the decrease in projected assessment growth noted above.

Salary and Wages: The compensation and wage grids have been adjusted as per Council's direction from their October 27th meeting. Details can be found in the 2022 Operating Budgets attached to each department's detail report.

FINANCIAL/BUDGET IMPACT:

The significant changes to the 2022 budget that have been made since the budget was present to the committees on October 13th and October 14th are discussed above. The Township's 2022 operating and capital budget reflects Committee and Council's previous direction, supports the achievement of Council's target of a 1% or less municipal tax increase, and reflects the Public's, Council's and staff's desire to continuously strive to operate the municipality as efficiently as possible. The following chart illustrates the 2022 impact to the Tax-Rate Stabilization Reserve.

Summary of 2022 Budget	
Net Expenditure Increase	-\$486,831.00
Increase in Assessment (Growth)	\$195,000.00
Tax Rate Stabilization Reserve Usage	\$194,546.00
Tax Rate Increase - 1.0%	\$ 97,285.00

Additionally, the Province announced on November 4 an increase to the OCIF funding program. While full details have not yet been released on the changes to the program, the program is doubling in its funding envelope, so we expect to see a positive increase in our 2022 OCIF funding. When the Township is advised of its 2022 allocation staff will bring forward a report to Council so that Council can determine how they would like the additional funds spent.

STRATEGIC PLAN:

Tay Open – Increasing transparency about decision-making that affects the community.

This report communicates the significant changes to the department's draft operating budget. Open and transparent communication to residents and stakeholders about the municipality's services and their related costs is a key value of the Township

CONCLUSION:

Staff recommends the adoption of the 2022 operating and capital budgets.

Prepared By:

Date: November 5, 2021

Brent Andreychuk, CPA, CGA, B.COMM
Manager of Financial Services

and

Jacquelyn Genis, CPA, CGA
Financial Analyst

Recommended By:

Date: November 5, 2021

Brent Andreychuk, CPA, CGA, B.COMM
Manager of Financial Services

Reviewed By:

Date: November 5, 2021

Daryl C. W. O'Shea
General Manager, Corporate Services