



To: Council
From: Debi LucasSwitzer
Date of Meeting: November 24, 2021
Subject: 2022 – 2024 Draft Budget Review

Recommendation:

1. That Council directs the Treasurer to prepare the 2022 budget based on:
 - 3% increase in tax rate;
 - deferral from 2022 to 2023 of the following projects:
 - Saving Street reconstruction,
 - Beaver Dam Drive and Popular Avenue asphalt overlay,
 - Hunters Road culvert engineering, and
 - debenture 2 bridge projects proposed for 2022, and further
2. That the 2023 and 2024 proposed draft budgets remain as outlined until further information on asset management program needs is known, and
3. That the budget report be brought forward at the December 15, 2021 meeting for consideration.

Executive Summary:

Over two budget meetings Council has received information related to a multi-year budget, 2022 to 2024. Based on information received at the November 17, 2021 budget meeting the draft budget for 2022 was amended to reflect the information received from Council.

The request from Council this evening is to advise whether additional meetings are necessary if Administration may update the information and provide a final report for adoption of the 2022 and draft 2023, 2024 budgets at the December meeting.

Background:

Council has received budget information and considered that information based on the goals and strategic priorities of the Community Strategic Plan. In addition, the draft budget considers the growth and needs of the Township organization as also continues to work to address the growth and additional legislated requirements.

The proposed budget for 2022 includes a tax rate increase of 3% over the 2021 budget and proposes 3% for 2023 and 4% for 2024. Several projects are

deferred for future years, and increasing the Township's debt to cover the cost of 2 bridge projects is factored in.

The annual cost for a median assessed value home of \$206,000 based on current MPAC assessment information is a total increase of \$29 over 2021. This is 0.23 cents more a month than the cost of an extra-large cup of coffee from Tim Horton's.

The proposed budget is less than the annual cost of inflation in Ontario, and it does not factor in the asset management needs of the organization, much of which is not yet fully known. The proposed budget does provide a first step in the development of long-term financial planning processes and the multi-year budget that Council seeks.

Alignment with Community Strategic Plan:

Goal 1: Corporate Capacity

Objective 2.1: Servicing Capacity

Risk and Asset Management Considerations:

As was noted in the budget presentations and discussions several factors will play into the overall budget for 2022 and beyond.

- a) Supply chain issues will be a concern for at least 2022 and into 2023
- b) Inflation and cost of debt as the world moves beyond the pandemic
- c) The growth and needs within the Township
- d) Asset management needs

The deferral of projects further delays infrastructure repairs and maintenance, costs could be higher in the future.

Ensuring sufficient capacity within the Reserves remains a concern.

2 projects proposed for 2022, Development Charges and the Fees and Charges study, will affect future revenue options.

Options:

1. That Council directs the Treasurer to prepare the 2022 budget based on the information provided; 3% increase in tax rate, defer projects identified at the November 17th budget meeting, and debenture 2 bridge projects proposed for 2022, and the 2023 and 2024 proposed draft budgets remain as outlined until further information on asset management program needs is known, and the budget report be brought forward at the December 2021 meeting for consideration.
2. That Council directs additional budget meetings be set up to allow for further consideration.
3. That no action be taken at this time.

Financial Impact:

The financial impact in the proposed budget for 2022 includes the transition of a possible 2021 surplus in the amount of \$500,000 be transferred in to the 2022 budget.

There is no other financial impact to the 2021 budget year.

Others Consulted:

Directors Team

Treasurer Ni