

2023 Operating Budget & Capital Budget



Special Committee Meeting
March 6th, 2023



Agenda

- Follow up from previous meetings
- Reserves
- Growth & Impact on Taxpayer

Follow up from previous meetings

- ✓ Arena Services – budget by location
- ✓ Risk Management History
- ✓ EAP - Is Council included?
- ✓ HR – Retirees and Vacancies
- ✓ Public Spaces – Recommendations to make spaces safer
- ✓ Asphalt Resurfacing
- ✓ Unexpended Capital

Unexpended Capital

Review of projects undertaken as part of the City's year-end process.

Further review completed during the budget process.

Type	Unexpended Balance as at December 31, 2022 *	Capital Funding to be Transferred to Reserve	Balance Remaining Open and Active
General	49,094,825	(2,042,300)	47,052,525
Water	11,826,846	(814,517)	11,012,329
Sewer	13,034,631	(1,270,796)	11,763,835
Total	73,956,302	(4,127,613)	69,828,689
* Subject to change pending year-end adjustments			

Utilization of Reserves

Originally presented:

The 2023 Operating Budget includes \$3.6 million in reserve funding.

This is a reduction of approximately \$0.9 million from 2022 as the use of reserves for COVID related revenue losses is being phased out.

Administrative Recommended Budget			Increase (Decrease) in
	2023 Budget	2022 Budget	Use of Reserves
Reserves Used for Regular Operations (i.e. building, marina, provincial gas tax)	1,534,658	1,521,625	13,033
One-time/Specific Purpose (i.e. COVID related revenue losses, hardship program, etc.)	2,052,539	2,943,167	(890,628)
Total Reserves	3,587,197	4,464,792	(877,595)

Option to defer phase-out of reserve utilization

Use of additional reserves of \$890,628 would reduce the 2023 levy to \$105.8 million representing a 4.61% increase over 2022.

Reserve funding included in the 2023 budget of \$3.6m includes the use of funds from operating, capital and obligatory reserves.

Reserve Balances

Reserve Description	Projected Balances Based on Authorized Transfers	2023 Proposed Net Reserve Transfers	Projected Balances
Total Operating Fund Reserves	\$ 11,227,606	\$ (3,029)	\$ 11,224,577
Total Tax Rate Stabilization Reserves	\$ 4,824,939	\$ (2,310,944)	\$ 2,513,995
Total Operating Fund Contingencies	\$ 1,106,474	\$ -	\$ 1,106,474
Total Capital Fund Reserves	\$ 21,557,721	\$ (529,471)	\$ 21,028,250
Total Reserves	\$ 38,716,740	\$ (2,843,444)	\$ 35,873,296

*Reserve balances are subject to final year-end entries

Impact on 2024 Budget – Phase-out of Reserves

	2023	2024	2025	2026
COVID/Levy Pressures	2,446,072	1,696,072	946,072	196,072
Tax Stabilization Reserve Balance (after 2023 trsf)	2,513,995	-	-	-
Add: Transfer from Capital Closing	1,600,000	-	-	-
Add: Hydro Owner's Balance	969,490	-	-	-
Less: Use of Reserve for Op Budget	-	(1,696,072)	(946,072)	(196,072)
Total Tax Stabilization Reserve	5,083,485	3,387,413	2,441,341	2,245,269
% of Prior Year Levy (using 2023 as an estimate)		0.71%	0.71%	0.71%
Change in use of reserves for operating budget		(750,000)	(750,000)	(750,000)

For illustrative purposes – reserve balance subject to change based on year-end entries

Municipal Tax Rate



Estimated Taxpayer Impact after growth

Other factors may impact the final municipal rate to be determined in April. Factors may include the following:

- ✓ Year-end phase in equity
- ✓ Year-end assessment adjustments
- ✓ Ratios

$$\frac{\text{Municipal Tax Levy (\$)}}{\text{Weighted Assessment Value}} = \text{Municipal Tax Rate}$$
$$\frac{105,765,198}{6,988,276,941} = 1.513466\%$$

Estimated Taxpayer Impact

2022	 \$100,000 Assessed Value	X	Tax Rate 1.466120% (2022 Rate)	=	\$1,466.12	Forecasted change per \$100,000 in assessment \$47.35
2023	 \$100,000 Assessed Value	X	Tax Rate 1.5134660% (2023 Estimated Rate after growth)	=	\$1,513.47	Represents a 3.23% increase in tax bill