



Special Committee of the Whole Tax-Supported Operating Budget Presentation



Presenter: Andrea Tang | March 20, 2023

Tax-Supported Operating Budget

- One of the most challenging budgets – high inflation
- Balance between community needs and fiscal responsibility
 - maintain existing service levels
 - achieve fiscal sustainability by continuing to;
 - fund growth expenditures with growth revenues only
 - increase contribution to the Asset Replacement Fund (ARF)



Tax-Supported Operating Budget Re-Cap

Jan. 30

- Proposed 7.67%
- Resolution:
Identify potential service level reductions

Mar. 6

- Reviewed options
- Reduced from 7.67% to 7.33%
- Resolution:
Target of 5.5%

Mar. 20

- Review strategies to achieve target of 5.5%



Tax-Supported Operating Budget Re-Cap – Jan. 30

13%

- Inflation – base budget
- Capital inflation supplement
- Enhancements

Revisions

(↓ \$3.7M, ↓ 5.33%)

- Lower inflation
- Phase-in capital inflation supplement over 3 years
- Defer enhancements

7.67%

- Annual increase of \$174 (assessment of \$706k)
- Annual increase of \$222 (assessment of \$900k)



Tax-Supported Operating Budget Re-Cap – Mar. 6

7.67%

- 1.11% capital inflation supplement
- No enhancements

Revisions

(↓\$0.2M, ↓0.34%)

- Cleaning & Janitorial Services
- Playground maintenance
- Gapping, staffing and reductions in consulting

7.33%

- Annual increase of \$166 (assessment of \$706k)
- Annual increase of \$212 (assessment of \$900k)



Tax-Supported Operating Budget Items for Consideration

Efficiencies

- ↓ \$300,000, ↓ 0.44%
- Hydroelectric savings

ARF Reductions

- ↓ \$760,000, ↓ 1.11%
- Defer 1.11% capital inflation supplement

Adjustment

- ↓ \$110,000, ↓ 0.16%
- Operating impact from capital budget



Tax-Supported Operating Budget Items for Consideration

Mitigation

- ↑ \$250,000, ↑ 0.36%
- Reduce provision by 50%



Tax-Supported Operating Budget Summary - Budget Changes

Item	Efficiencies	Gapping, Staffing & Consulting	ARF Reductions	Other Changes
Cleaning & Janitorial Services	\$(42,000)			
Playground Maintenance	\$(60,000)			
Staffing & reductions in consulting		\$(130,000)		
LED streetlights	\$(300,000)			
Defer capital inflation supplement			\$(760,000)	
Operating impact from capital				(\$110,000)
Mitigation				\$250,000
Total	\$(402,000)	\$(130,000)	\$(760,000)	\$140,000

- Total net reductions of \$1,152,000, tax rate reduction of 1.67%



Tax-Supported Operating Budget Summary

Items	Tax Rate Increase (Jan. 30)	Revisions	Proposed Tax Rate Increase
Base – Town	6.00%	(0.93%)	5.07%
CYFS	0.84%	-	0.84%
Library	0.18%	-	0.18%
ARF	1.00%	-	1.00%
Capital inflation supplement	1.11%	(1.11%)	0.00%
Enhancements	0.00%	(0.00%)	-
Growth	-	-	-
Mitigations	(1.46%)	0.36%	(1.10%)
Total	7.67%	(1.68%)	5.99%

Short by
0.49%
from target
of 5.5%



Tax-Supported Operating Budget Summary

- Identified over \$4.8 million in net savings, from initial 13.0% to 5.99%
- Tax rate increase currently at 5.99%
- Short by 0.49% or \$337,000 from target of 5.5%

In order to achieve the target of 5.5%:

- Recommend setting up a stretch target of \$337,000
- Continue to find sustainable efficiencies and/or revenue opportunities
- Report back to Council as part of the 2024 Budget process



Tax-Supported Operating Budget Impact to Residential Property

Component	Tax Levy
Base Budget	4.50%
Contribution to ARF	1.00%
Total Proposed 2023 Tax Levy	5.50%

Property Assessment Value	Annual Increase
\$706,000	\$125
\$900,000	\$159



Tax-Supported Operating Budget Conclusion



- Balance between community needs and fiscal responsibility
 - maintain existing service levels
 - achieve fiscal sustainability by continuing to;
 - fund growth expenditures with growth revenues only
(Decision Package: Denison Synthetic Turf Field Maintenance)
 - increase contribution to the Asset Replacement Fund (ARF)



Next Steps

Meeting	Date
Committee of the Whole – Draft budget	March 27
Council – Budget approval	April 3
Reserve and Reserve Fund Review workshop	Q2/Q3
Asset Management Workshop	Q2/Q3

