



Committee Report

To: Warden Janice Jackson
Members of the Corporate Services Committee

From: Edward Henley
Director of Corporate Services

Date: January 13, 2022

Re: 2022 Final Budget

Staff Recommendation:

That the 2022 budget as previously approved be amended to include approximately \$67,000 in additional Ontario Community Infrastructure Fund (O.C.I.F.) revenue and an offsetting reduction in revenue related to development charges; and,

That a transfer to the Affordable Housing - New Units Reserve for \$38,700 be included in the 2022 budget based on additional tax revenues collected due to cancelling the vacant and excess land discounts in 2022; and,

That the Willow Creek Bridge repair project, TS-2021-056, be approved for inclusion in the 2022 budget in the amount of \$700,000 to be funded by \$660,469 of O.C.I.F. revenue and the remaining \$39,531 from levy.

Background:

Through the budget process the County strives to take a conservative approach to budgeting revenues that does not leave the organization dependent on funds that may not materialize. As a result, on October 28, 2021 the Corporate Services Committee approved the 2022 budget in principle, with the official adoption to occur pending the receipt of final tax base numbers, Ontario Community Infrastructure Fund (O.C.I.F.) funding announcement and a decision on the County's proposed implementation of Development Charges. Staff committed to maintaining a 4.80% general levy increase with an additional 1.50% Infrastructure Capital Renewal Levy with any additional revenue being allocated to reserves for future infrastructure projects.

On December 2, 2021 Corporate Services Committee voted not to proceed with the implementation of County Development Charges. The 2022 budget had included an approximately \$67,000 offset for development charge eligible projects, and the decision resulted in a need to remove these estimated revenues from the budget. In order to ensure no impact to the levy percentage approved in principle the utilization of the O.C.I.F. funding was increased slightly in the 2022 budget.

In early December the County received notification that it would be the recipient of \$1,387,939 of O.C.I.F. funding. This represents a more than doubling of the 2021 amount due to an expansion of the program. The 2022 budget had included an estimate of \$660,630

related to O.C.I.F. funding to be utilized towards a road capital project. The amount assigned to offset this project was increased to \$727,470 in order to maintain the County levy at the 4.80% with the remaining \$660,469 for use on future infrastructure projects.

Through a review of the County’s budget and immediate needs it was identified that rather than holding these additional funds to offset the 2023 projects it would be preferable to shift the Willow Creek Bridge Repair in the Trails Program forward to 2022 from 2023. The damage to the trail bridge has resulted in the need for hikers to re-route along the side of a busy road which is not ideal for safety reasons. Given that funds are available it is recommended that this project be approved to proceed in 2022 at a cost of \$700,000. The additional \$39,531 required above the available O.C.I.F. funding would be taken from the additional growth discussed below.

The 2022 budget included an estimated tax base growth rate of 1.00%. Actual numbers received in December of 2021 represent growth in the tax base of 1.77% (see Appendix 1). Of the additional \$400,000 of tax dollars received \$39,531 will be applied to the Willow Creek Bridge Project and \$360,469 will be transferred to reserves to fund future capital projects and efforts to close the infrastructure gap.

In 2022 the County is also expected to receive an additional \$38,700 in tax revenues as a result of discontinuing the vacant and excess land discounts in 2022. In line with the “Cancel Vacant Unit Rebates and Vacant Excess Discounts Report” presented in May of 2021, the additional funds have been directed to Affordable Housing Reserves for future needs. The 2022 amount forms the basis for an annual transfer to reserves that will be adjusted utilizing inflation in future years. The property taxes remain neutral as a result of this change for the properties that did not previously receive a vacant or excess discount.

The proposed approach moves one large capital project forward from 2023 budget to 2022 and sees it funded by an external source, effectively reducing the pressure on future levy increases. Further, as a result of the above actions, the county has set aside an additional \$435,169 to fund future infrastructure projects and help to reduce future levy increases as outlined below.

Account	Source	Amount
Capital Roads Reserve	Additional Growth of 0.77% above the 1.00% included in budget submission	\$396,469
Affordable Housing Reserve - New Units	Additional tax revenues from the removal of Vacant and Excess Land Discount in 2022	\$38,700
Total		\$435,169

Financial/Staffing/Legal/IT Considerations:

The financial impacts of this report have been outlined in the background.

There are no staffing, legal or IT considerations associated with this report.

Interdepartmental Consultation:

The Senior Management team has been integral in the preparation of the 2022 budget and supports the 2022-2026 Budget and Forecast.

Link to Strategic Goals and Elements:

None Identified

Report Author:

Lynn Hatten,
Deputy Treasurer

Departmental Approval:

Edward Henley,
Director of Corporate Services

Approved for Submission:

Sandra Datars Bere
Chief Administrative Officer

Appendix 1 - 2021 Revenue Growth/Loss (Roll Edition)

Realty Tax Class	2021 Taxation As Returned	2021 Taxation As Revised	Change in \$	Change in %
Taxable				
Residential	\$43,055,471	\$43,921,783	\$866,312	2.01%
Farm	\$3,738,704	\$3,745,323	\$6,619	0.18%
Managed Forest	\$38,462	\$40,472	\$2,009	5.22%
Pipeline	\$71,695	\$74,572	\$2,877	4.01%
Subtotal	\$46,904,332	\$47,782,149	\$877,817	1.87%
Multi-Residential	\$636,833	\$678,915	\$42,082	6.61%
Commercial	\$2,791,404	\$2,830,630	\$39,226	1.41%
Industrial	\$669,715	\$632,609	-\$37,105	-5.54%
Subtotal Protected	\$4,097,951	\$4,142,154	\$44,203	1.08%
Subtotal Taxable	\$51,002,284	\$51,924,303	\$922,019	1.81%
Shared PIL				
Residential	\$15,758	\$15,758	\$0	0.00%
Commercial	\$700,052	\$700,174	\$122	0.02%
Industrial	\$522,813	\$523,117	\$303	0.06%
Subtotal Shared PIL	\$1,238,623	\$1,239,048	\$426	0.03%
Total Taxable and Shared PIL	\$52,240,906	\$53,163,351	\$922,445	1.77%
Unshared PIL				
Residential	\$119,168	\$122,867	\$3,698	3.10%
Commercial	\$587,987	\$598,700	\$10,714	1.82%
Industrial			\$0	0.00%
Landfill	\$11,710	\$12,090	\$379	3.24%
Subtotal Unshared PIL	\$718,866	\$733,657	\$14,791	2.06%
Total	\$52,959,772	\$53,897,008	\$937,236	1.77%