

2023-2027 Budget Adjustments

Budget Changes - Finding Reductions

- **Strategies Considered**
 - Reduce expenses
 - Improve revenue from other sources
 - Pursue alternate revenue sources vs increases on taxpayers
 - Development Charges
 - Full fee recovery for services
 - Full fee recovery including funding future replacement of asset
- **If further cuts needed, is the decision to:**
 - Cancel existing program/service or do not implement new program/service
 - Draw further on reserves
 - Defer item to a future year, and thus pushing off cost to a future budget
 - Borrow
 - Identify new grant
 - Reduce service level of program or service

Operating Budget Pressures for 2023

Item	2023 Budget Implication	2023 Impact \$	2023 Impact %
1	Fuel Costs Increase (Transportation & Paramedic Services)	330,837	0.59%
2	Proposed New Positions/FTE for 2022 net of offsetting revenues	1,466,055	2.60%
3	Cost of Living Increases for Existing Staff impact to Total Levy	704,330	1.25%
4	Existing Staff Employee Grid Movements for service experience	501,321	0.89%
5	OMERS Enrollment Rules Update - New Employees Electing in	358,848	0.64%
6	Increases to Mandatory and Non-Mandatory Benefit Costs	372,084	0.66%
7	Completion of Loan Repayment for Administration and Long-Term Care Facilities	(919,487)	-1.63%
8	Increased Cyber Security costs and other modernization	330,837	0.59%
9	Removal of reliance of Tax Stabilization Reserve to fund ongoing operating expenses	375,000	0.66%
10	Legislative Changes regarding Natural Heritage Planning	200,000	0.35%
	Totals	3,719,825	6.60%

Capital Budget Pressures for 2023

Item	2023 Budget Implication	2023 Budget Impact \$	2023 Budget Impact %
1	Increased Spending to meet Minimum Asset Management Recommendation	1,186,380	2.10%
2	LTC Internet and Mobile Charting Upgrades to meet Standards	289,000	0.55%
	Totals	1,475,380	2.65%

Operating Budget Changes - Options for Consideration

Budget Item	Cost	Levy % Reduction
Facilities Management	64,000	0.11%
Electronic Records Management	190,000	0.34%
Natural Heritage Planning	200,000	0.35%
Tax Stabilization Reserve funding Operating	375,000	0.66%
Building Insurance Reserves	75,000	0.13%
Municipal Innovation Council	50,000	0.09%
Transit Routes	70,000	0.12%
Crack Sealing Reinstatement	62,000	0.11%
Guiderails Additional Maintenance	67,900	0.12%
Recreation By-Law enforcement	20,000	0.04%
Total	1,153,900	2.05%

Offset of Levy from Waste Management Reserve

- Current Balance \$1,055,100 - not used in current 5 yr budget
- Unrestricted funds can be reassigned by Council decision
- \$525,000 transfer from Waste Management Reserve to Tax Stabilization Reserve (TSR)

- \$375,000 used to offset 2023 operating budget
- \$ 50,000 used to offset 2023 Municipal Innovation Council
 - Funding cancelled from 2024 onwards
- \$100,000 used for one-time 2023 transfer to roads reserves

Salary and Benefit budgeting methodology

- Cancel annualization of salaries for new 2023 hires \$375,561
 - **Exceptions:**
 - Corporate Services Budgeting and Accounting Specialist - currently covering a department vacancy
 - Transportation Co-op student - summer-only position
 - Long-term Care & Senior Services Clinical support role - Q1 grant funded
 - Housing Services Painter - offset by contractor expenses
- Pre-committed for 2024 : \$375,561 = 0.61% levy increase

Salary and Benefit Changes (other)

- Director of Planning and Development
 - 33% of salary and benefits can be attributed to the new grant-funded Employment Services initiative
 - Reduces levy impact by finding alternate funding source
 - More accurately reflects staff time related to this new grant-funded program
 - 0.12% levy reduction or approximately \$65,000

- Non Union Cost of Living Increase budgeted at 2.85%

Operating Budget Recommended Changes

Budget Item	Reduction to Levy	Levy % Reduction
Facilities Management (Cancelled 2023)	64,000	0.11%
Electronic Records Management (defer 2024)	190,000	0.34%
Heritage Planning (cost recovery)	200,000	0.35%
Tax Stabilization Reserve funding Operating	375,000	0.66%
Building Insurance Reserves (cancelled 2023)	75,000	0.13%
Municipal Innovation Council (reserve funded 2023)	50,000	0.09%
Transit Routes (Durham-Walkerton cancelled)	28,500	0.05%
Crack Sealing Reinstatement (defer to 2024)	62,000	0.11%
Guiderails Addtl. Maint. (defer to 2024)	67,900	0.12%
Recreation By-Law enforcement (cancel)	17,000	0.03%
Total	1,129,400	1.99%

New FTEs Prioritization

Department	1	2	3	4
Human Services	Supervisor, Housed Tenant, Housing Services	Maintenance Supervisor, Housing	Supervisor, Housing Program, Housing Services	Painter
Long Term Care	Nurse Managers (2)	Clinical Support Specialist		
Human Resources	Total Compensation Systems Specialist			
CAO	Deputy CAO			
Corporate	Accounting and Budgeting Specialist			
IT	Web Application Specialist			
T&ES	Co-op Student			

* Real Estate Clerk position addition to complement - no impact on levy

Capital Budget Changes - Options for Consideration

Budget Item	Cost	Levy % reduction
Asset Management Plan Inflation	372,240	0.66%
Gateway Haven Internet Upgrade	200,000	0.35%
Brucelea Haven Mobile Charting	55,000	0.10%
Total	627,240	1.11%

Capital Budget Recommended Changes

Budget Item	Reduction to Levy	Levy % reduction
Asset Management Plan Inflation	372,240	0.66%
Gateway Haven Internet Upgrade	200,000	0.35%
Brucelea Haven Mobile Charting (Defer to 2024)	55,000	0.10%
Total	55,000	0.10%

Summary of Budget Changes

Budget	\$	%
Operating	-1,576,782	-2.79%
Capital	-55,000	-0.10%
Total	-1,631,782	-2.89%

Levy Increase - Proposed (Where we left off)

Budget	2023	2024	2025	2026	2027
Operating Levy Increase %	9.41%	8.44%	4.02%	3.21%	3.05%
Capital Levy Increase %	3.32%	9.85%	-0.78%	3.37%	-0.84%
Total Levy Increase %	12.73%	18.29%	3.24%	6.58%	2.22%
Adjustments					
Growth	-2.16%	-1.00%	-1.00%	-1.00%	-1.00%
Proposed Net Levy Increase %	10.57%	17.29%	2.24%	5.58%	1.22%

Levy Increase after Operating and Capital Changes

Budget	2023	2024	2025	2026	2027
Operating Levy Increase %	6.62%	10.24%	4.69%	3.05%	2.95%
Capital Levy Increase %	3.22%	4.84%	6.02%	4.60%	4.27%
Total Levy Increase %	9.84%	15.08%	10.71%	7.65%	7.22%
Adjustments					
Growth	-2.16%	-1.00%	-1.00%	-1.00%	-1.00%
Proposed Net Levy Increase %	7.68%	14.08%	9.71%	6.65%	6.22%

TES Budget Changes to Smooth out Increases



Project	Change/Deferral
TS-2021-004 Repair Robinson B line & Blackwell Bridges	Delayed from 2024 to 2025
TS-2020-017 Arran Township Shed Bridge	Added removal in 2027
TS-2021-006 Repair Superstructure Sweiger Bridge BR 10	Delayed from 2024 to 2025
TS-2021-014 Replace Durham St. Bridge BR 4 Walkerton	Delayed construction from 2025 to 2026
TS-2021-018 Rehabilitation and Reconstruction of West Road	Delayed from 2024/25 to 2026/27
TS-2021-020 CIP Recycling BR 3 and BR 4	Delayed construction from 2024 to 2025
TS-2021-022 Bruce Rd. 6A East	Added Phase 2 into 2025
TS-2021-029 Bruce Rd. 33-Pre-eng/realignment/ New construction/Phase 4	Adjusted cost estimate value for future
TS-2021-030 Bruce Rd. 23 (Roundabout)	Delayed design to 2025, moved construction to 2026
TS-2021-049 Walkerton Shop - Options Analysis	Delayed from 2024/25 to 2026/27
TS-2022-002 Repair 1st, 2nd and 3rd Dunblane Bridge-BR3	Delayed construction from 2025 to 2026
TS-2023-002 Surface treatment Microsurface BR 20 & BR 40	Delayed from 2024 to 2026

TES Budget Changes to Smooth out Increases



Project	Change/Deferral
TS-2023-R01 Bridge Reserve Contribution	Added contribution in 2027
TS-2024-003 Rehab Burgoyne Bridge BR3	Delayed from 2025 to 2026
TS-2024-004 CIP Recycling BR 9 (Bury Rd to Hwy 6)	Delayed from 2024/25 to 2025/26
TS-2024-006 Storm Sewer & Sidewalk BR 12 (Formosa)	Delayed from 2024 to 2026
TS-2024-007 Paisley Shop Analysis	Service Delivery review 2024, Design delayed to 2026, aligns with Walkerton
TS-2025-001 Surface Treatment Microsurfacing BR 17	Delayed from 2025 to 2026
TS-2025-003 Replace Craig Hill Bridge BR3	Delayed from 2025/26 to 2026/27
TS-2026-002 Rehab Clancy Bridge	Delayed from 2026/27 to 2027/28
TS-2026-003 Rehab Willscroft Bridge	Delayed from 2026/27 to 2027/28
TS-2026-004 Rehab Wrightson Bridge BR 20	Delayed from 2026/27 to 2027/28
TS-2026-005 Surface Treatment (Various Roads)	Delayed from 2026/27 to 2027/28
TS-2030-001 Repair Formosa Creek Bridge BR 4	Delayed from 2026 to 2027

Discussion and Approval of Budget

Budget Approval Recommendation

“That \$525,000 be withdrawn from the Waste Management Future Planning Reserve and \$100,000 be transferred to the Capital Roads Reserve and \$425,000 be transferred to the Tax Stabilization Reserve, for use in the 2023 Corporate budget as outlined in the report, subject to approval by the Highways Committee (Transportation and Environmental Services Committee).”

“That the 2023 budget be approved as presented and as amended.”