

Recommendation:

That the Treasurer-2023-03 report, dated February 7th, 2023, regarding the 2023 Budget Updated Tables be received and,

That Council provide direction on the Arena Facilities Future Ad-Hoc Committee Request of \$50,000, and;

That Council approve Funding Option #2 for the Joint Public Works and Fire Hall Building which is based on new cost estimates and interest rate and modifies the existing funding model that was approved as part of the 2022 Budget, and that staff proceed with finalizing the design of the building for Council approval, and;

That Council provide direction to staff on any changes to be made to the budget for final passage on February 21st, 2023.

Overview:

Staff presented the first draft of the 2023 Budget on December 6th 2022. This was a working draft and further work continued on the budget. On January 17th Council was provided with a Budget Update that summarized staff recommended revisions since the first draft.

Also, on January 17th a Public Meeting was held where the budget was presented and the public had the opportunity to provide comments. The only comments received at the meeting were from the Arena Facilities Future Ad-Hoc Committee where they formally requested \$50,000 to complete a study, staff require direction from Council on whether or not to include this request in the budget.

Budget Changes Since January 17th

Since the January 17th meeting there have been three changes made:

1. \$3,500 to General Government for a subscription to Bids and Tenders. This program will be used to issue and collect responses to tenders and RFP's. There are two models for this software in terms of who pays; the first is a vendor pay model where the vendor can pay \$119+hst per bid (or \$399/year for unlimited bids). The second option is for the municipality to pay an annual subscription fee, which for us will be \$3,300+tax. Staff are recommending that the Township pay the subscription fee to ensure that all of our procurement processes remain accessible to all vendors and the cost of submitting a bid to our RFPs and tenders does not become a prohibiting factor, especially for local businesses.
2. In reviewing and balancing all numbers in the Excel budget model it was found that one of the Road's projects had not been entered correctly and therefore it

was included in the project listing but was not included in the levy calculation, this added \$19,333 to the levy.

3. The cost of the Gravel Pit purchase has been amended to \$1.60 million from \$1.41 to account for ancillary costs related to the transaction. This has zero levy impact because the purchase is being funded through reserves. It should be noted that the financing of this purchase can be amended to a debenture at a later date upon further analysis.

Joint Fire and Public Works Facility Funding Options

In the draft budget package provided for the December 6th meeting there were two funding options provided for the Joint Fire and Public Works Facility. A more detailed breakdown of the two options has been provided as an attachment to this report.

Option 1 assumes that the original plan from the 2022 Budget to use a 1.18% annual increase would be used until the \$1 million of reserves was used up. This creates the need to increase the levy by 6.86% in 2025 and a further 4.92% in 2026 in order to be able to pay the annual debenture of \$914,537.

Option 2 recognizes that the increase in 2025 and 2026 are high in Option 1 and minimizes the impact in those budgets by increasing the levy in 2024. This option would see an increase to the levy of 3.78% in 2024, 3.76% in 2025, 3.34% in 2026, and 2.09% in 2027. Staff recommend this option.

It should be noted that the current cost of \$12 million continues to be an estimate and therefore could be less but it is based on recently completed projects by nearby municipalities.

Conclusion:

The following table summarizes where the levy is at after the above changes and shows what the impact of the Arena Ad-hoc Committee will be if Council approves the request:

Summary of Change to the 2023 Levy

	2022	2023	\$ Change	% Change	Levy Impact
Operating Expenses	\$4,516,601	\$4,895,185	\$378,584	8.38%	6.32%
Transfer to Capital	-\$31,920	-\$22,260	\$9,660	-30.26%	0.16%
Net Operating Levy	\$4,484,681	\$4,872,925	\$388,244	8.66%	6.49%
Capital	\$1,401,952	\$1,578,036	\$176,084	12.56%	2.94%
Capital Levy For Joint Building	\$67,872	\$138,512	\$70,640		1.18%
Levy Requirement	\$5,986,425	\$6,611,732	\$625,307	10.45%	10.45%
Less: Assessment Growth in 2022					-1.27%
Percent Change to the Tax Rate as at February 7th:					9.18%
Ad-Hoc Arena Committee Request:		\$50,000	\$50,000		0.84%
Percent Change to the Tax Rate after Ad-Hoc Committee Request:					10.01%

The following table shows the impact of a 9.18% change to the tax rate:

	2022	2023	Annual Change	Monthly Change
Residential Impact Per \$100,000 of Assessment	\$424.22	\$463.15	\$38.92	\$3.24
Impact on Median Property of \$256,000	\$1,086.01	\$1,185.66	\$99.65	\$8.30

The most up to date Capital and Operating tables have been provided as attachments to this report. Staff will provide a fully updated budget document for the February 21st Council meeting that includes any and all changes Council passes at the February 7th meeting.

Financial Impact:

The impact to the tax rate currently sits at 9.18% without the Ad-Hoc Arena Committee request and 10.01% with the request.

Strategic Plan Applicability: To effectively respond to the challenges of addressing the Township's municipal infrastructure needs as well as effectively managing the assets of the corporation.

Report Approval Details

Document Title:	2023 Budget Updated Tables.docx
Attachments:	- Joint Building Funding Options.pdf - 2023 Capital Project Listing - February 7.pdf - 2023 Operating Budget - February 7.pdf
Final Approval Date:	Feb 2, 2023

This report and all of its attachments were approved and signed as outlined below:

Martina Chait-Hartwig

Elana Arthurs