

HALDIMAND COUNTY 2019 Draft Tax Supported Operating Budget

Committee of the Whole
April 2, 2019



Council Approved Budget Guidelines

- When establishing/approving the annual budget guidelines, a four year projection (2019 to 2022) was provided to understand future budget pressures. 2019 guidelines were approved as highlighted below:
 - *Annual assessment growth is to be used as follows:*
 - firstly for increases in the tax levy to fund the annual capital-related tax supported capital requirements; and
 - secondly to fund growth related impacts and new initiatives/service level enhancements; and
 - lastly, any unutilized annual assessment growth be transferred to the Contingency Reserve to offset future growth related cost increases if necessary; and
 - *Additional new initiatives for new/enhanced services, beyond available assessment growth, should only be considered during the budget review if the net levy impact can be mitigated on a consolidated, corporate-wide basis and the individual business case provides for offsetting revenue sources, efficiency improvements or cost savings; and*
 - *Funding related to Council approved new initiatives would be considered above and beyond the base budget requirements; and*
- Separate report was presented to Council to review and approve Fees and Charges (October 2018)



“Unbudgeted Expenditures”

- Municipal Act provides ability to **not** budget for specific expenditures:
- Amortization of Capital Assets:
 - No specific costs related to annual amortization of County’s assets; does include “contributions” to Capital Replacement Reserves
 - County has a multi-year financing plan to address potential funding shortfalls
- Post Employment Benefits:
 - Includes WSIB, sick leave payouts and benefit payouts after active employment
 - The County has sufficient budget to accommodate current required sick leave and benefit payouts (actuarial liability indicates shortfall); draft budget includes WSIB contributions to partially address estimated shortfall
- *Solid Waste Landfill Closure and Post-Closure Costs:*
 - *Includes PV of future costs to maintain landfill sites*
 - *Capital and Operating post closure costs have been included in the 2019 budget based on projected annualized costs*



Major Drivers

	2019 Levy Impact	
	Increase/(Decrease)	
	\$	%
Municipal Levy (prior year)	63,757,390	
Levy Increases:		
General wage/benefit increases	535,390	0.84%
Policing	102,650	0.16%
Solid Waste - Mainly due to increase in costs for curbside waste (collection, haulage, and disposal); blue box collection; and leachate which is partially shared with Norfolk County.	178,430	0.28%
Roads Maintenance – increased contracted services	205,000	0.32%
Winter Control contracted services (based on five year average)	119,710	0.19%
Waste Diversion Provincial Funding – based on approved 2019 funding amount	100,380	0.16%
Decrease in Payment in Lieu of Taxes revenues - Based on reduced assessments	293,800	0.46%
Corporate Reorganization	(147,030)	-0.23%
Capital Levy Increase	640,380	1.00%
Capital Levy Increase - acceleration of Granular Road Conversion	480,000	0.75%
Council Approved Initiatives - staffing/ remuneration related (net of applicable funding)	192,990	0.30%
Council Approved Initiative - reduction in recreational fees to increase participation, remove barriers to access, and increase utilization	191,890	0.30%
Council Approved Initiatives - other (net of applicable funding) (pre-2019 budget approval)	159,650	0.25%
New/Enhanced Service Initiatives - staffing related (net of applicable funding)	95,520	0.15%
New/Enhanced Service Initiative - Recreational services increased to meet demand for current service standards and public expectations with respect to parks and recreational facilities	336,830	0.53%
New/Enhanced Service Initiative - Field management groups increase to support the efforts of the County's current community partners in operating and maintaining fields, parks and trails on behalf of the municipality	119,240	0.19%
New/Enhanced Service Initiative - Libraries - increased and streamlined hours to better meet future needs and enhanced access to Community Hubs and related services	235,420	0.37%
New/Enhanced Service Initiatives - other (net of applicable funding)	139,430	0.22%
Levy Decreases:		
Provincial funding for Grandview and Land Ambulance	(252,730)	-0.40%
Supplementary taxation revenue increase based on recent growth pattern	(280,000)	-0.44%
Social Housing	(100,600)	-0.16%
Base adjustments - other	421,600	0.66%
Municipal Levy Increase	\$ 3,767,950	5.91%
Draft Municipal Levy	\$ 67,525,340	
Less: Estimated Assessment Growth		-2.67%
Less: Estimated Education Tax Room		-0.62%
Total Estimated Residential Tax Rate Impact		2.62%



Assessment & Tax Impacts

<u>Year</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Avg.</u>
Municipal Levy Increase (%)	4.33	3.76	2.77	4.06	5.91	4.17
Assessment Growth (\$)	0.74	1.12	0.91	2.29	2.67	1.55
Education Tax Room (%)	0.80	0.44	0.38	0.38	0.62	0.52
Tax Impact (%)	2.79	2.20	1.48	1.40	2.62	2.10



Impact on Average Residential Home

2018

Property Taxes \$3,172

Assessed value \$256,400



2019

Property taxes \$3,255

Assessed Value \$266,860



Increase \$83 or 2.62%
(approx. \$6.93/month)

Other Factors Impacting Property Taxes

- Impacts on Property Taxes:
 - ✓ Assessment Changes/Shifts
 - ✓ Education Tax Rates
 - ✓ Municipal Levy Requirements
 - Tax Policy Decisions
 - Tax Ratios – shift burdens to other classes (typically residential)
 - Council approved phase-out of reductions for vacant industrial/commercial sub-classes
 - Amendments to collectors role (i.e. assessment changes)



**Average Residential Tax Bill - Allocation by Services
Based on 2019 Draft Tax-Supported Operating Budget
2019 Assessment = \$266,680 / Total Taxes = \$3,255**

