

HALDIMAND COUNTY

2022 Draft Tax Supported Operating Budget

Committee of the Whole | March 31, 2022



Unbudgeted Expenditures

Municipal Act provides ability to not budget for specific expenditures:

- Amortization of Capital Assets
- Post Employment Benefits
- Solid Waste Landfill Closure and Post-Closure Costs

Council Approved Budget Guidelines

- Annual assessment growth is to be used as follows:
 - Fund the annual capital-related tax supported capital requirements
 - Fund growth related impacts and new initiatives/service level enhancements
- New/enhanced services, beyond available assessment growth
 - Only considered 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
- Funding related to Council approved new initiatives would be considered above and beyond the base budget requirements
- One-time Covid costs are to be offset by Safe Restart Funding, where applicable

2021 Preliminary Surplus

Forecasted Surplus of \$4.5million

Major Savings Include:

- Corporate Wide Salaries & Benefits:	\$2.3 million
- Solid Waste – Blue Box Commodity Revenues:	\$310,000
- Taxation – Supplementary Billings:	\$267,000
- Engineering Fees/Recoveries:	\$254,000
- Planning & Development Fees:	\$220,000
- Tax Rebates & Write-offs:	\$105,000
- Arena Utilities:	\$235,000

Major Deficits Include:

- Winter Control – Materials & Contracted Services	(\$512,000)
- Policing – OPP Contract	(\$128,000)

2021 Preliminary Surplus

Covid Impacts - \$1,475,692

	Total 2021 Covid Funding
<u>Covid impacts</u>	
Licenses (Marriage, Lottery, etc)	(11,880)
POA fines	(62,390)
Arena Revenues	(418,024)
Pool Programs	(32,988)
Public Health	(813,400)
Other Nominal Items from 2021 Budget	(137,010)
Total 2021 Covid Impacts	(1,475,692)

<u>Summary of Safe Restart Funding</u>	<u>2020</u>	<u>2021</u>
Opening Balance	-	1,165,607
Received	2,532,800	1,142,248
Spent	(1,367,193)	(1,475,692)
Closing Balance, Safe Restart Funding	1,165,607	832,163

Major Drivers

2022 Draft Municipal Levy Increase of \$3,509,340

Levy Increases:	
Salaries and benefits - base changes (negotiated, contractual and legislated)	742,880
Insurance (2022 estimated increase)	68,960
Winter Control - Standby Charge and Sidewalks Contracted Services Increases	265,000
OPP Contract increase as per 2022 estimate	254,740
Solid Waste – Waste Collection Contract (\$96K); Recycling Contract (\$64K)	160,120
Capital Levy Increase	725,500
Council Approved - Prior Year One-Time Items	163,000
Council Approved Initiative - Affordable Housing	684,400
Council Approved Initiatives - (net of applicable funding)	313,100
New/Enhanced Service Initiatives - (net of applicable funding)	741,840
	\$ 4,119,540

Major Drivers

Levy Decreases:	
Ontario Municipal Partnership Funding Increase	(162,000)
Travel, Professional Development – Corporate Wide	(67,680)
Taxation – Supplementary Billings	(75,000)
Solid Waste - Primarily due to Decrease in Leachate Costs, Blue Box Revenue Increases	(170,160)
2022 User Fee Indexing	(80,870)
Other adjustments under \$100K	(54,490)
	\$ (610,200)

Assessment & Tax Impacts

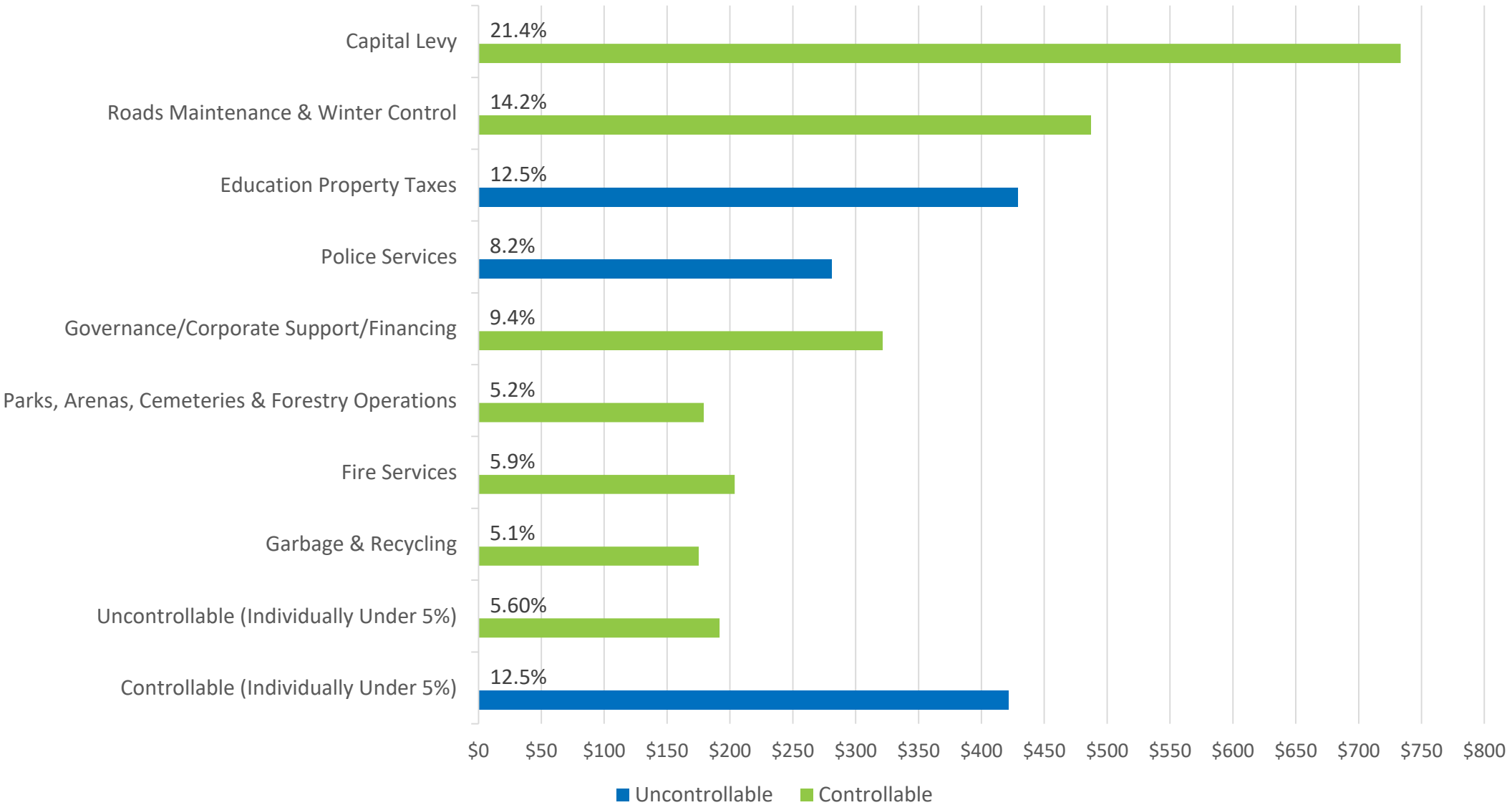
Year	2018	2019	2020	2021	2022	Avg.
Municipal Levy Increase (%)	4.06	5.44	3.87	3.91	4.84	4.42
Assessment Growth (\$)	2.29	2.67	2.50	1.95	2.73	2.43
Education Tax Room (%)	0.38	0.61	0.14	0.00	0.00	0.23
Tax Impact (%)	1.48	1.40	2.16	1.96	2.11	1.77

Other Factors Impacting Property Taxes

- Impacts on Property Taxes:
 - Assessment Changes/Shifts related to growth
 - 2022 reassessment postponed
 - Education Tax Rates
 - Municipal Levy Requirements
 - Tax Policy Decisions
 - Optional Property tax sub-classes
 - Tax Ratios – shift burdens to other classes (typically residential)
 - Amendments to collectors role (i.e. assessment changes) up to start of May 2022

Average Residential Tax Bill – Allocation by Services

2022 Draft Tax-Supported Operating Budget
2022 Assessment = \$280,460 / Total Taxes = \$3,424



Impact on Average Residential Home

2021

Property Taxes \$3,354

2022

Property taxes \$3,424



**Increase \$74 or 2.11%
(approx. \$5.87/month)**

Future Impacts on Tax Supported Operating Budgets

- Inflationary impacts on commodity prices and fuel escalation impacts;
- Impacts of future salary negotiations tied to general inflationary trends;
- Increased pressures to provide Affordable Housing across the Province;
- Sustainable growth to offset growth-related costs;
- Uncertainty of future upper tier grant funding (OMPF, OCIF, etc.);
- Political change – Federal, Provincial and Municipal