



**Date:** Tuesday, January 30, 2024

**From:** Samantha Buchanan, Treasurer

**Subject:** 2024 Draft Budget

**Report** COR2024-06

This document and its attachments are public and available in an accessible format upon request.

## **Recommendation**

That Council received the 2024 Draft Budget and all appendices contained therein for information; and

That Council hereby direct staff to present the 2024 Sums Required By-law for approval; and

That upon the County of Grey's adoption of their 2024 Budget and 2024 Tax Policy staff are hereby directed to present the 2024 Tax Rates By-Law for approval.

## **Background**

Pursuant to Section 290 of the *Municipal Act*, 2001, S.O. 2001, c.25

- (1) For each year, a local municipality shall, in the year or the immediately preceding year, prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality including,
  - a. Amounts sufficient to pay all debts of the municipality falling due with the year,
  - b. Amounts required to be raised for sinking funds or retirement funds, and
  - c. Amounts required for any board, commission, or other body.

For Council, the 2024 Budget process kicked-off on July 19, 2023 with staff presenting [COR2023-29: Proposed 2024 Budget Guideline and Schedule](#). The proposed schedule included some key dates for the 2024 budget process as a whole:

- August 2023 until September 30, 2023 – Public Budget Survey Open
- [November 15, 2023 – Presentation of 2024 Base \(Operating\) Budget and 2024 Budget Survey Results](#)
- January 2024 – 2024 Draft Budget (Today)
- February 2024 – 2024 Budget Passed



On top of the important dates listed above Council also held a [Special Council meeting on December 4, 2023](#), the goal of this meeting was to identify a shortlist of capital projects for staff to take forward when developing the 2024 Draft Operating and Capital Budget.

## **Analysis**

Please see the 2024 Draft Budget Presentation, and its appendices, for annual budgeted amounts and further information.

## **Water Funded Budget**

The Township owns and operates four water systems (Shallow Lake, East Linton, Oxenden and Pottawatomi), these water systems are not funded from the general tax levy, but instead are funded from the respective users of that water system.

On [December 6, 2023 Council received staff report COR2023-52 Water Rates](#), budget amounts being presented today are reflective of Council's direction following this report:

That Council approves increasing all consumption fees by 7.1% to \$3.92 per cubic meter; and

That Council approves increase base fees by 7% for the East Linton, Pottawatomi, and Oxenden water system; and

That Council approves a 10% increase to base fees for the Shallow Lake water system.

## **Tax Funded Budget**

The Township offers a variety of services to residents, for some of these services the cost of providing the service is offset by user fees, grants, reserves, or other sources of revenue. In the absence of other funding sources these services are funded through the taxes levied for operating.

There are two components to the total tax levy (1) the taxes levied for operating and (2) the taxes levied for reserves (capital). The taxes levied for operating are used in that budget year to fund the core services provided by the Township, for some of these funds it may be that they are being placed directly into reserves in that year for a future year's expenditure (an example of this is the phased in funding for the Municipal election which occurs ever four years). The taxes levied for reserves (capital) are funds which are placed directly into reserves and are used to fund future capital purchases, this form of funding allows for major capital projects to be phased in over the years before the need arises.



The Township has four major departments which provide services to residents, these are: Office of the CAO, Development & Infrastructure, Community & Environmental Services and Corporate Services. Within each department they provide not only the core operating services but also capital or one-time initiatives. Core operating services are the day-to-day, year-over-year services that are provided to residents, any/all changes to the core operating services (i.e., addition of a new service or change in service level being provided) would need to be considered by Council. A one-time initiative is a one-time special project or capital ask that arises in any given year.

## **Financial Impact**

The 2024 Draft Operating and Capital Budget would require a tax levy of \$13,025,450 which would result in an estimated tax rate increase of 9.57% over the 2023 tax rate (assuming no changes to the County's tax policy). This draft operating and capital budget would also result in \$2,493,200 being withdrawn from reserves to fund capital projects.

There are some items which have not yet been address through the 2024 Draft Budget. These include:

- Fire Prevention Services - \$50,000
- Short Term Accommodations - \$65,000
- Increase in ITFD annual contribution - \$153,225.

If Council were to include these to the 2024 operating and capital budget with would require a tax levy of \$13,280,075, a 11.71% estimated tax rate increase over the 2023 tax rate, and \$2,494,300 to be withdrawn from reserves.

## **Strategic Priorities**

To deliver effective and cost-efficient services.

## **Conclusion**

The 2024 Base Operating Budget was presented to Council on November 15, 2023, and on December 4, 2023, Council discussed and identified a shortlist of capital projects for staff to take forward and develop the 2024 Draft Operating and Capital Budget. Staff recommend that the 2023 Sum Required by-law be presented for approval and that upon the County's adoption of their 2024 Budget and 2024 Tax Policy, the 2024 Tax Rate By-Law for the Township be presented for approval.

Respectfully Submitted: Samantha Buchanan, Treasurer



## Report Approval Details

Document Title:	2024 Draft Operating and Capital Budget.docx
Attachments:	<ul style="list-style-type: none"><li>- 2024 Draft Budget Presentation - Jan 30, 2024.pptx</li><li>- 2024 Draft Budget Presentation - Appendix A - Status of 2023 Capital Projects.pdf</li><li>- 2024 Draft Budget Presentation - Appendix B - Organizational Chart.pdf</li><li>- 2024 Draft Budget Presentation - Appendix C - Estimated Reserve Balance.pdf</li><li>- 2024 Draft Budget Presentation - OCWA Major Maintenance Presentation.pdf</li></ul>
Final Approval Date:	Jan 25, 2024

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

Niall Lobley, Director of Community Services