



Niagara-on-the-Lake

2022 Budget

Presentation to Audit and Finance
January 31, 2022

Agenda

- Overview
- Budget Overview
- Budget Principles
- 2022 Proposed Tax Levy
- Summary
- Next Steps
- Questions



2022 Budget

Monday, Jan. 31, 2022



2022 Budget Overview - Process

Audit & Finance Committee

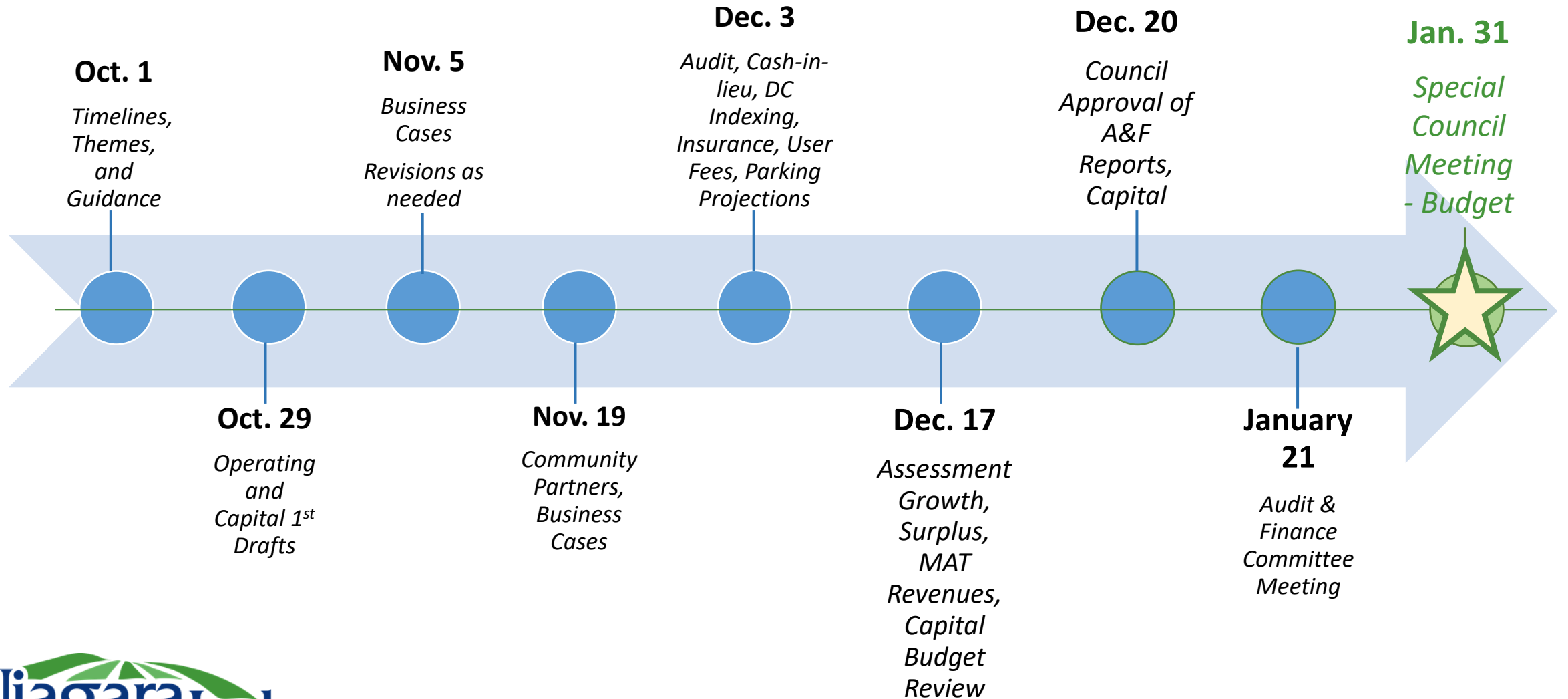
- Seven committee meetings, commencing October 1st
- Reviewed first draft and established budget guidance
- Reviewed Budget Survey
- Business Cases (16 for 2022)
- Stakeholder presentations
- Reviewed funding sources and priorities

2022 Budget Overview – Process

Public Engagement

- Survey open to public posted on Join the Conversation October 14th through to November 7th
- Top three priorities:
 - By-Law, Infrastructure, Stormwater Management
- Top three areas where fewer dollars should be spent
 - Beautification, Town Programming and Events, Library Services

2022 Budget Overview - Timeline

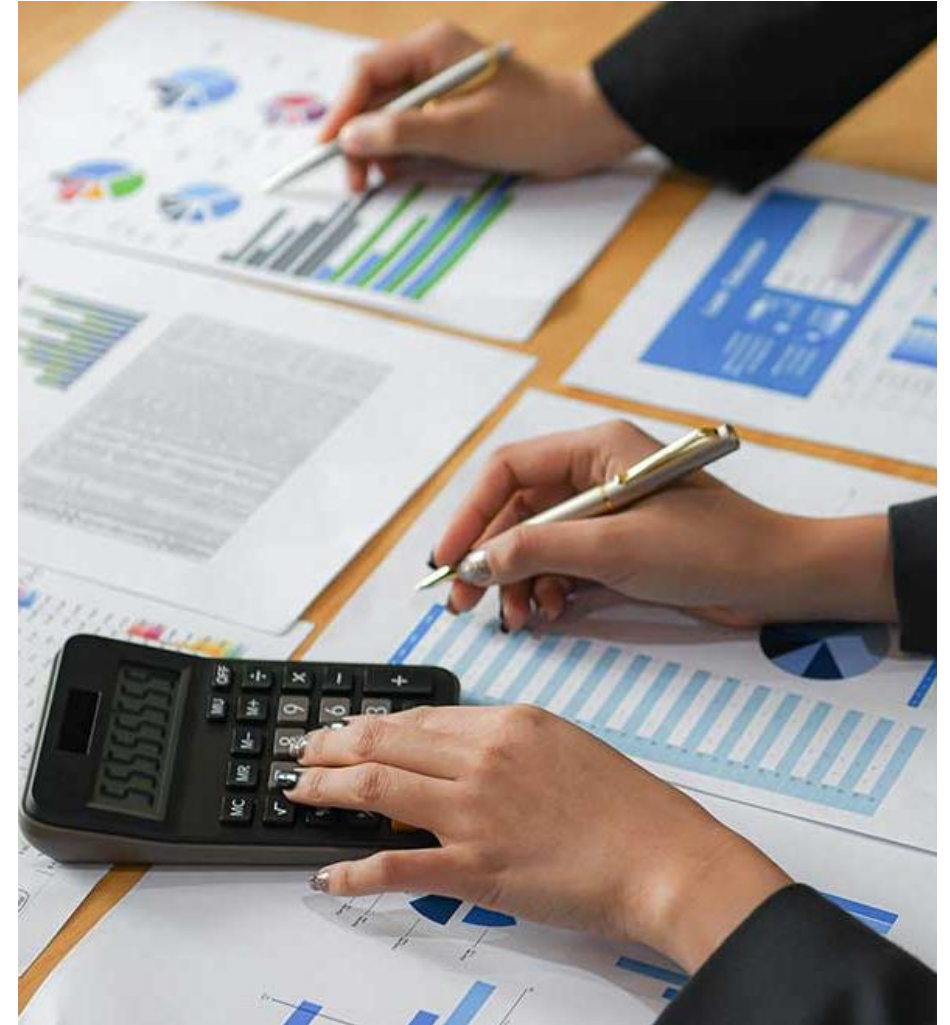


2022 Budget Overview - Guidance

- At the October 1, 2021 Audit & Finance Committee Meeting, guidance of **2% - 5%** was provided. This equates to:
 - A levy increase of **\$262,540 - \$656,350**
 - An annual change of **\$23.50 - \$58.75** on the tax bill for the average residential assessment (**\$1.96/mnth - \$4.90/mnth**)

2022 Budget Overview – Key Factors

- An expenditure increase of **\$131,270** equates to a **1%** increase in the total tax levy (2021 = \$126,865)
- A **1%** increase to the tax levy equates to an approximate **\$11.75** increase to taxes
- Every **\$10,000** of expenditure added will result in an approximate **\$0.90** increase to taxes



2022 Budget Overview – Pressures

- Staff Salary / Volunteer Firefighter Compensation Increases
- Insurance Increases
- Inflation (+4.5%)
- Legislative Requirements
- COVID-19 Requirements



Budget Overview - 2021/2022 Key Initiatives

KEY INITIATIVES to advance NOTL Council strategic priorities in 2021 (*Examples*):

- **Tourism Strategy**
- **Planning Workshop Action Items**
- **Heritage Conservation District Expansion Study**
- **Transportation Master Plan**
- **Former Hospital Site Initiative**



2022 Drivers & Guidance: Key Initiatives

KEY INITIATIVES to advance NOTL Council strategic priorities in 2021 (*Examples*):

- **Advance Service Delivery Initiatives** (*e.g. Website*)
- **Develop a Framework towards a Sustainable Budget** (*Asset Management Plan, Operating, Capital*)
- **Also, ensure Environmental Stewardship in Decision Making** (*e.g. Niagara Adapts -2021, Asset Management Plan: Green Infrastructure Plan - 2023*)



2022 Drivers & Guidance: Key Initiatives

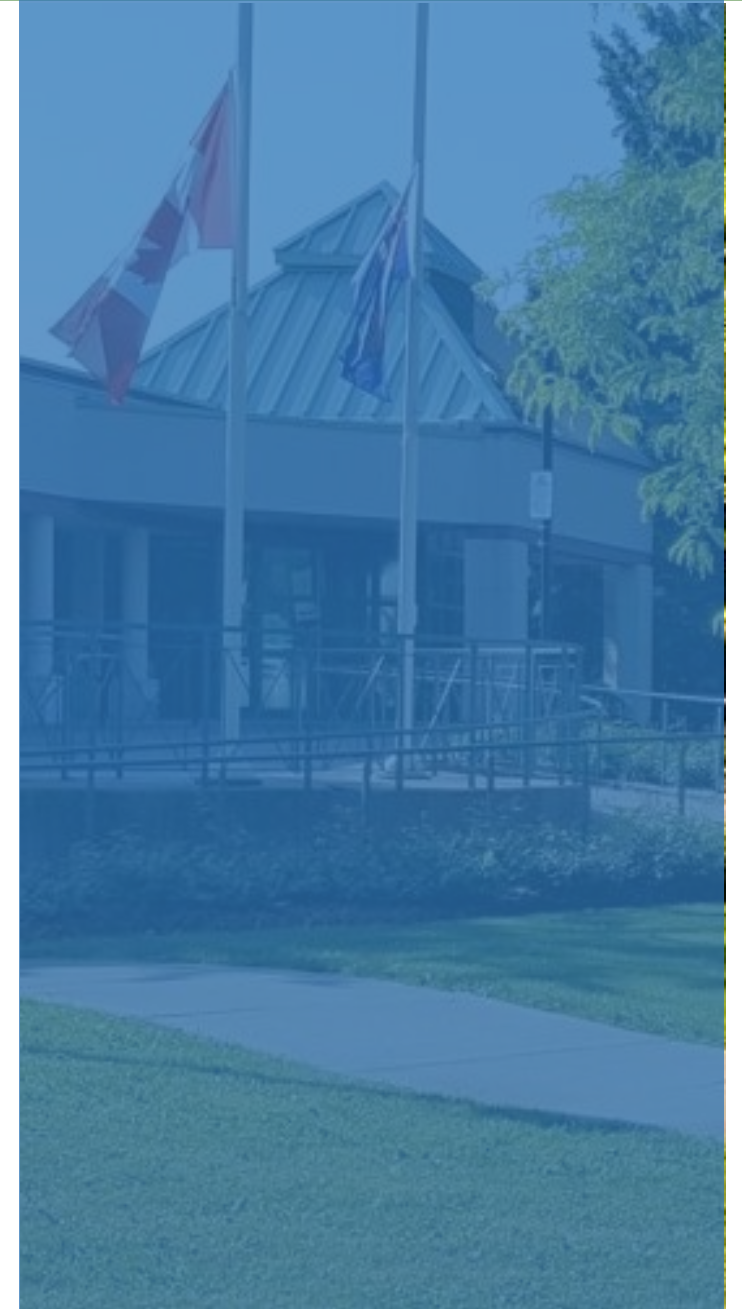
PARTNERSHIP INITIATIVES in progress in 2021/2022:

- Niagara District Airport RFP
- Transit Governance



Budget Principles

- Maintain core services while minimizing the impact to taxpayers
- Deliver on current commitments and obligations
- Protect Town Assets (*e.g. Insurance, maintaining state-of-good-repair*)
- Continue to successfully address COVID-19 impacts
- Advance the priority initiatives of the Town



2022 Proposed Tax Levy – 2.99%

	2022	2021	\$ Change	% Change
General Levy Requirement	\$ 13,670,566	\$ 13,126,773	\$ 543,793	4.14%
Less: Assessment Growth	\$ 151,187		\$ 151,187	
Net Levy Requirement	\$ 13,519,379	\$ 13,126,773	\$ 392,606	2.99%
Taxes for an Average Residential Property	\$ 1,216.65	\$ 1,172.57	\$ 44.08	3.76%
Average Assessment for a Single Detached Home	536,960	533,482		
Storm Levy Requirement	879,443	456,998	\$ 422,445	92.44%
Taxes for an Average Residential Property	1,328.64	1,231.39	\$ 97.25	7.90%

Approach to Budget Reductions

The approach taken toward budget reductions was to review and align the following key areas:

- **4-year Historical Analysis - \$365,000**
- **Proposed 2022 Increases - \$175,000**
- **Reserve Funding** (e.g, Safe Restart, Winter Maintenance, OLT) - **\$415,000**
- **Impact of Capital Changes on Operating** (e.g., Victoria Street Landscaping) - **\$30,000**
- **Other opportunities - \$40,000**

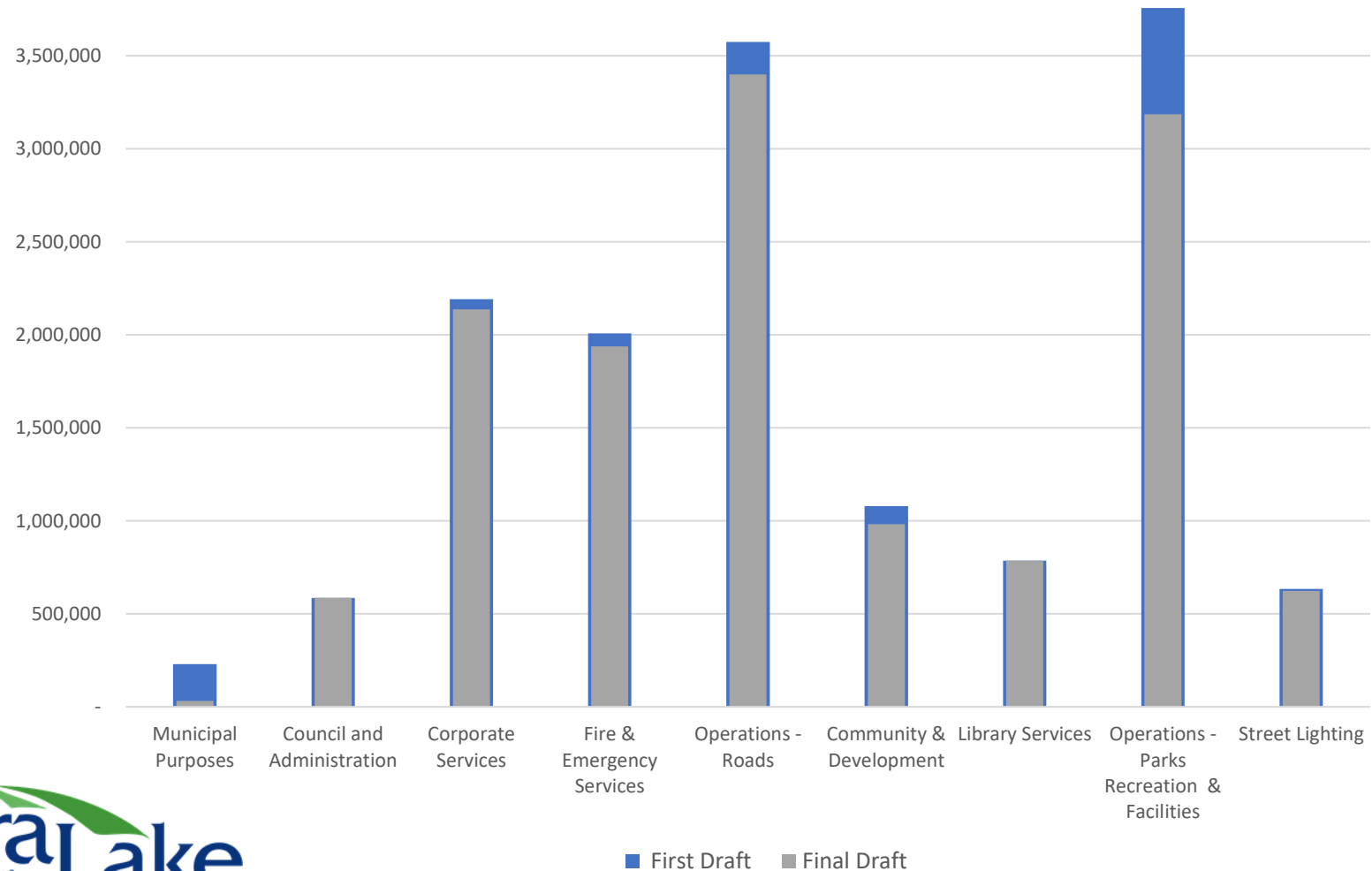
2022 Budget: Changes from First Draft

	Changes at Committee		Final Draft Changes		Total \$ Impact on Tax Bill
	\$ Change in Budget	% Levy Impact	\$ Change in Budget	% Levy Impact	
Revenues					
Licenses, Permits, Rents, etc.	8,589	0.07%	(230,878)	(1.76%)	19.90
Transfer from Reserves	348,448	2.65%	385,789	2.94%	(65.72)
User Fees & Penalties	(102,128)	(0.78%)	91,350	0.70%	0.96
Other	(10,040)	(0.08%)			0.90
Total Revenue	244,870	1.87%	246,261	1.88%	(43.96)
Expenses					
Contracted Services	88,541	0.67%	(191,504)	(1.46%)	(9.22)
External Transfers	49,262	0.38%	(40,000)	(0.30%)	0.83
Materials & Supplies	(43,266)	(0.33%)	(253,199)	(1.93%)	(26.54)
Other Personnel Expenses	(3,000)	(0.02%)	(40,500)	(0.31%)	(3.89)
Salaries Wages & Benefits	(146,019)	(1.11%)	(27,693)	(0.21%)	(15.55)
Tax Write-off's & Rebates	-	0.00%	(10,000)	(0.08%)	(0.90)
Transfer to Reserves	18,650	0.14%	(160,000)	(1.22%)	(12.65)
Debt Management - Principal	99,744	0.76%	-	0.00%	8.93
Debt Management - Interest	70,318	0.54%	-	0.00%	6.29
Net Chargebacks	(106,013)	(0.81%)	-	0.00%	(9.49)
Total Expenses	28,218	0.21%	(722,895)	(20.7%)	(62.18)
Assessment Growth	(151,187)	(1.15%)			(13.53)
Total Reduction	(367,839)	(2.80%)	(969,156)	(7.41%)	(119.68)

Budget Start	13.20%
Changes During Committee	(2.80%)
Sub-Total	10.40%
Final Draft Changes	(7.41%)
Final Budget Increase	2.99%

2022 Budget: Changes from First Draft

First Draft vs. Final Draft



Budget Summary – Levy Supported

Summaries By Department					
LEVY SUPPORTED (+ve = net expense/ -ve = net revenue)	2022 Proposed	2021 Approved	\$ Change on Budget	% Change on Budget	% Impact on Levy
100 - Municipal Purposes	31,823	(195,305)	227,127	(116.3%)	1.7%
120 - Council and Administration	586,378	672,606	(86,229)	(12.8%)	(0.7%)
130 - Corporate Services	2,136,538	1,985,113	151,424	7.6%	1.2%
250 - Fire & Emergency Services	1,938,451	1,856,287	82,164	4.4%	0.6%
300 - Operations - Public Works - Program Administration	1,872,117	1,799,983	72,134	4.0%	0.5%
310 - Operations - Public Works - Roads	427,575	413,414	14,160	3.4%	0.1%
320 - Operations - Public Works - Roads Maintenance	1,100,739	1,133,438	(32,699)	(2.9%)	(0.2%)
450 - Community and Development	981,646	877,960	103,686	11.8%	0.8%
550 - Library Services	786,278	675,796	110,482	16.3%	0.8%
650 - Operations - Parks Recreation & Facilities	3,186,442	3,253,601	(67,160)	(2.1%)	(0.5%)
740 - Street Lighting	622,581	653,876	(31,295)	(4.8%)	(0.2%)
Net Tax Levy (before growth)	13,670,566	13,126,770	543,796	4.1%	4.1%
Growth			(151,187)		(1.2%)
Net Tax Levy (after growth)			392,609		2.99%
SPECIAL LEVY (+ve = net expense/ -ve = net revenue)	2022 Proposed	2021 Approved	\$ Change on Budget	% Change on Levy/Budget	
730 - Storm Water Management	879,443	456,998	422,445	92.4%	

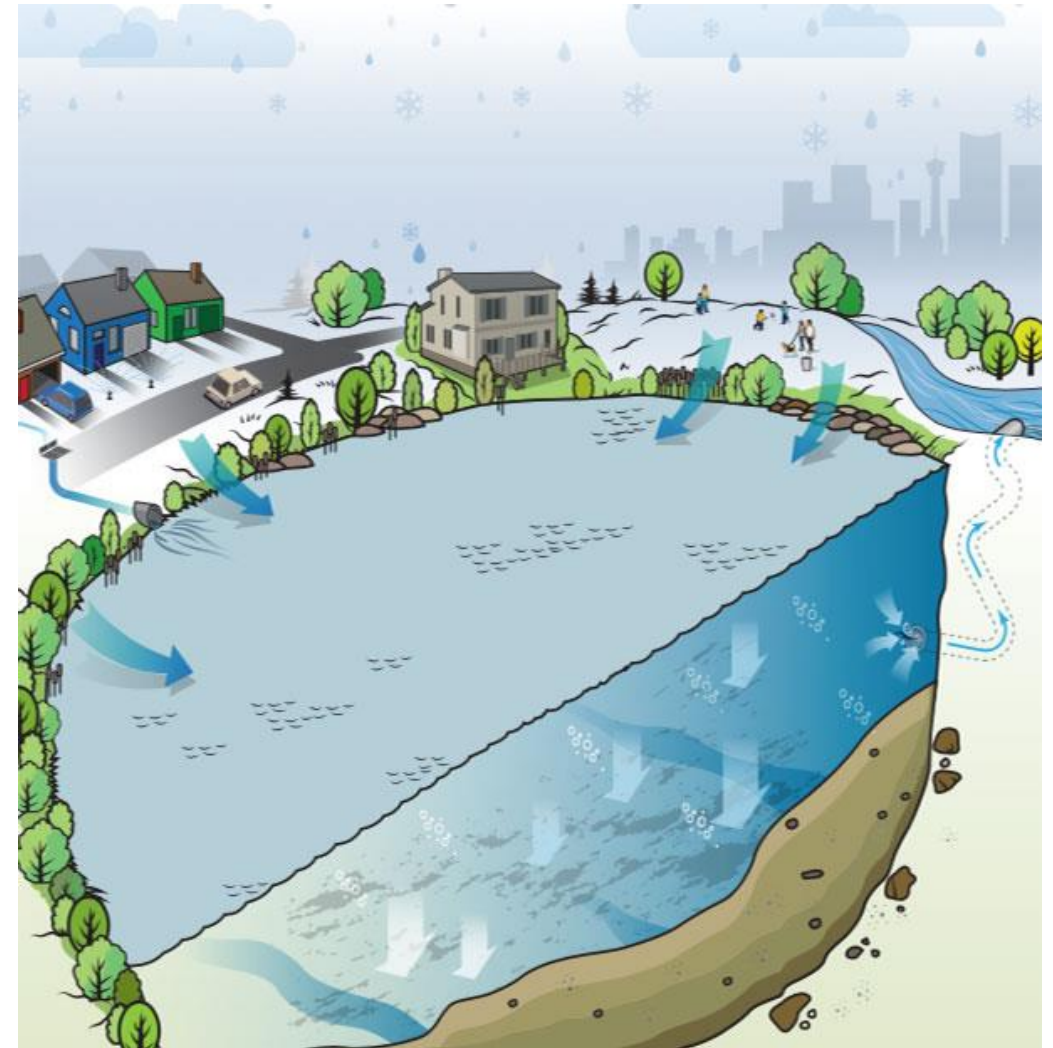
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Storm Investment

Why the increase to support the Storm Program is needed :

- Legislated requirement to do regular cleanouts of infrastructure and provide more in depth documentation and data collection that is subject to a compliance audit
- Maintenance and documentation obligations can now be fulfilled
- Allows the program to function as intended



Additional Considerations

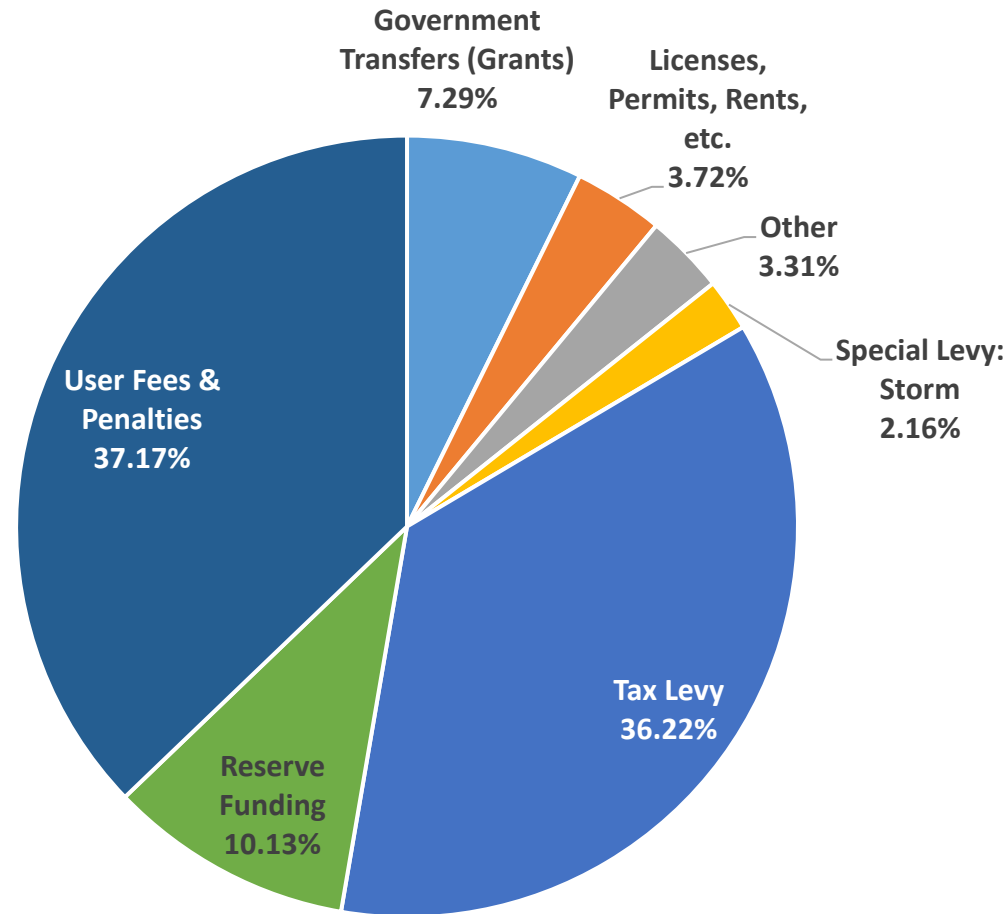
Item	Amount	Staff and Committee Recommendations	Impact if funded from Levy
Chamber Ice Wine Event	(\$42,000)	Event cancelled, transfer from Parking has been reduced	-
13 for 13 Event	\$60,000	Recommended to be funded from Parking	0.46%
Queen Street Beautification: Victoria Street	\$101,685	Defer	0.77%
Museum Capital Contribution	\$100,000	Motion from committee to consider	0.76%

Budget Summary – Rate Supported

Rate Supported (+ve = net expense/ -ve = net revenue)	2022 Proposed	2021 Approved	\$ Change on Budget	% Change on Levy/Budget
325 - Operations - Public Works - Agriculture & Reforestation	109,356	92,810	16,546	17.8%
330 - Parking Operations	2,176,100	2,146,100	30,000	1.4%
350 - Public Transit	1,226,453	1,067,200	159,253	14.9%
460 - Building Services	843,450	748,437	95,013	12.7%
700/710/720 - Environmental Services - Water & Waste Water	9,815,371	9,661,801	153,570	1.6%
Total Rate Supported	14,170,730	13,716,348	454,382	3.3%

Operating Budget – Revenues

2022 REVENUE SOURCES



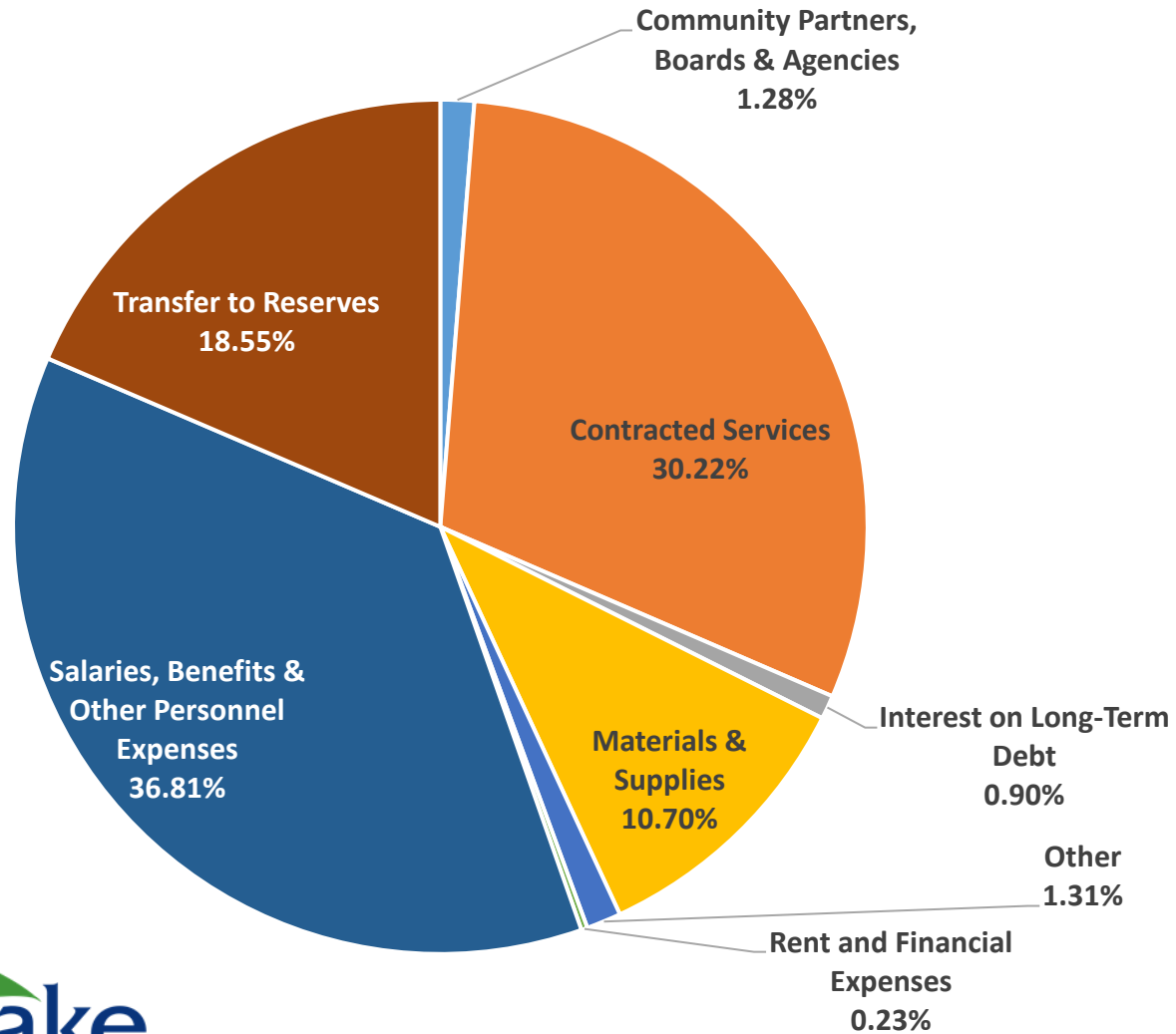
Operating Revenue Defined:

Revenue associated with day-to-day provision of services.

Represents the annual funding sources required to support operating expenditures in order to deliver services and maintain infrastructure.

Operating Budget - Expenses

2022 BUDGETED EXPENSES



Operating Expense Defined:

*Expenditures associated with day-to-day provision of services.
Represents the annual cost to deliver services and maintain infrastructure.*

New Studies (2022)

- **Asset Management Plan** - \$42,000 funded from OCIF
- **Planning Items** (Business Case 2022-16) - \$150,000 funded from Capital Reserve
 - Additional Funds for Re-Zoning of Old Town
 - Additional Funds for Heritage Conservation District Plan
 - Planning Process Mapping
 - Secondary Plan Design Guide Update
 - Review of Official Plan Winery Policies
 - Review Pros and Cons of a CPPS
 - Official Plan – Enhancing Complete Application Policy
- **Character Study** (Report CDS-21-029) - \$70,000 funded from Capital Reserve
- **Recreation Master Plan** - \$80,000 funded from Development Charges

Operating Budget Highlights

- Staff and Committee reduced 2022 budget request by **\$1,185,808** or **69%** during budget deliberations (*1st draft increase: \$1.7 M vs Final draft increase: \$543.8 k*)
- Town's 2022 General Levy increase is **\$543,793** or **2.99%** (including assessment growth) = **\$44.08** (*Assessment of \$537k*)
- Storm Levy Increase: **\$422,445** = **\$53.17** on the average tax bill

Next Steps



Conclusion





**Thank you.
Any Questions?**