



2022 Budget Process and Target

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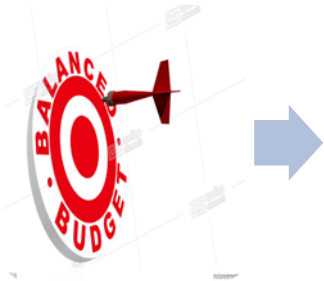
Date: May 3, 2021

2022 Budget Process

1. Budget process
2. Schedule
3. Budget Structure
4. Tax-Supported Operating Budget
 - a) Base Budget
 - b) Contingency
 - c) ARF
 - d) Other
5. Rate-supported budgets
6. Capital Budget and Program
7. Next Steps



1. Budget Process



Target Setting
• May

Community Engagement
• Jun to Nov

Budget Deliberation
• Oct and Nov

Council Approval
• Dec



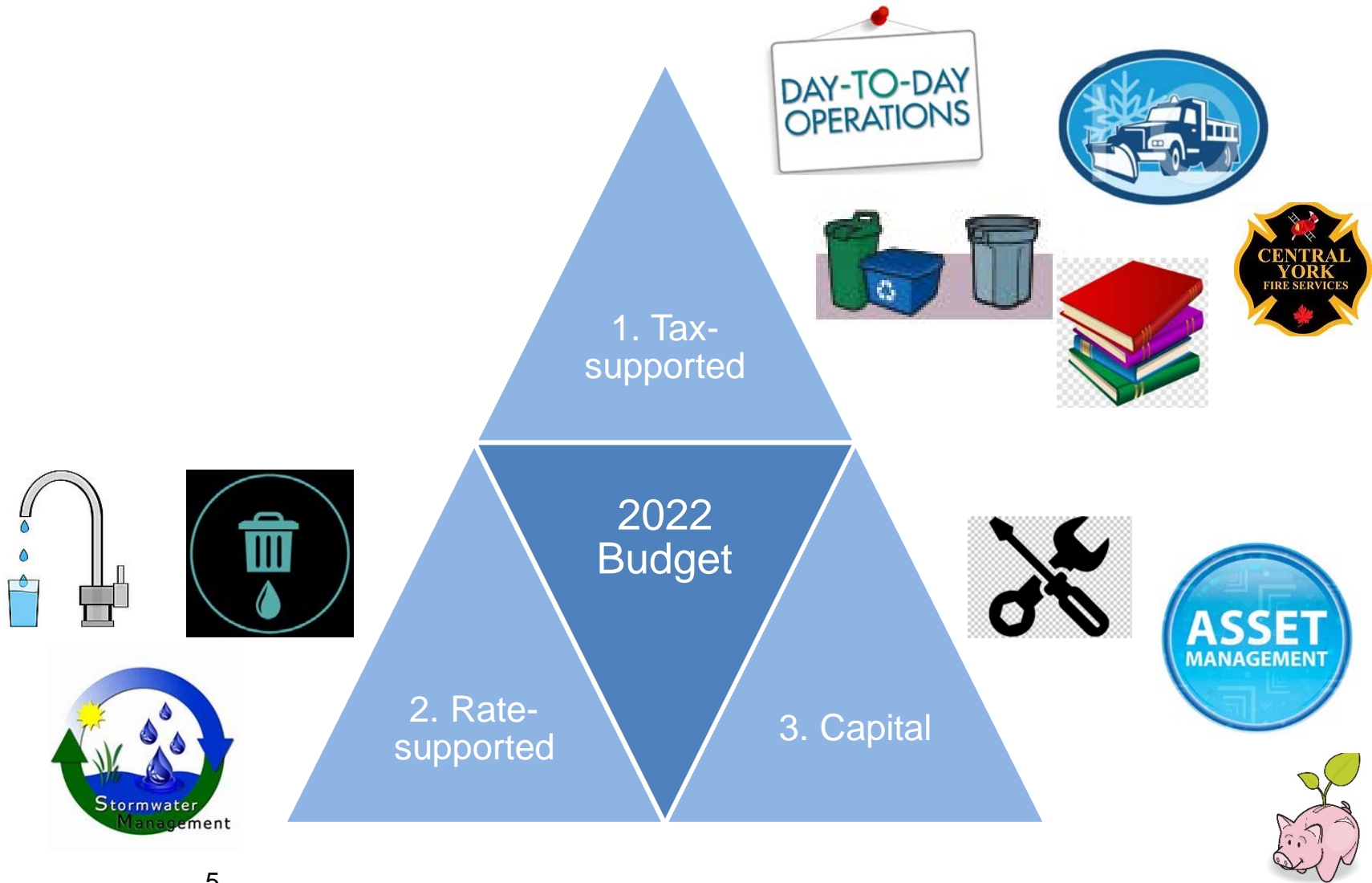
2. Schedule

Activity	Date	Meeting
Recommendations on process and target	May 3	CoW
Community Engagement	Jun to Nov	
Fees & Charges for early approval	Jun 14 Jun 21	CoW Council
Preliminary Draft Budgets	Oct 3	CoW
Capital and Rate-Supported Budgets	Oct	Special CoW (TBD)
Tax-Supported Operating Budget	Nov	Special CoW (TBD)
Draft Budgets and remaining Fees & Charges	Dec 6	CoW
Approval	Dec 13	Council

CoW – Committee of the Whole



3. Budget Structure



4. Tax-Supported Operating Budget

- Supports day-to-day operations
- Includes Fire, Library and BIA
- Components include:
 - Base budget
 - Contingency
 - Asset Replacement Fund (ARF)



4. Tax-Supported Operating Budget

- 1% tax rate increase = \$667,000 tax revenues
- Target tax rate increase of 2.99%

Component	Tax Rate Increase
a. Base Budget	1.74%
b. Contingency	0.25%
c. ARF	<u>1.00%</u>
Target	2.99%



4. Tax-supported operating budget

a. Base Budget

Growth

- Assessment growth at 1%
- Growth revenues offset against growth expenses only

Growth item	\$
Assessment growth	667,000
Less: growth related expense	
Mulock Park	250,000
Incremental growth	37,000
Fire (Newmarket's portion)	66,000
Library	17,400
Unallocated portion	296,600



4. Tax-supported operating budget

a. Base Budget

Inflation / CPI

- Inflationary factor of 1.5% is assumed (Provincial forecast at 1.7%)
- Toronto February CPI at 0.85%
- Inflation for contractual expenses

Fees and Charges

- Increase by inflation / CPI



4. Tax-supported operating budget

b. Contingency

- 2021 base budget currently includes \$500,000
- 0.25% levy will increase base budget by \$167,000

	\$ in millions	Tax rate increase
2021 Base Budget	500,000	
2022 Proposed increase	<u>167,000</u>	0.25%
2022 Base Budget	667,000	



4. Tax-supported operating budget

c. ARF

- Contribution to ARF aligns with the Fiscal Strategy
- 1% increase in ARF contribution – consistent with 2021 approved budget
- 2021 tax-supported base budget for ARF is close to \$6.5 million
- A strategy for ARF will be developed based on the upcoming Reserve and Reserve Fund Review



4. Tax-supported operating budget

d. Other

- Currently, there is no change in the following areas:
 - Service level adjustments
 - Extraordinary items
 - REV IT Up initiatives



5. Rate-Supported Budgets

Budgets to be derived from Council-approved financial plans for:

- Water and Wastewater
 - Financial plans were updated in March 2021
 - Region conducting a 2021 User Rate Study to recommend rates in 2022 and beyond
- Stormwater
 - Financial plan with Council approved incremental improvement option



6. Capital Budget and Program

- Funds the purchase, construction and financing of Tangible Capital Assets (TCA) for infrastructure, land, buildings, machinery, equipment and other assets
- 2022 Capital Spending Authority is currently set at \$22.7 million

	Standard	Major	Total
2021 commitments	1,800,000	2,700,000	4,500,000
2022 capital program	13,200,000	-	13,200,000
Unallocated	<u>5,000,000</u>	<u>-</u>	<u>5,000,000</u>
Total	20,000,000	2,700,000	22,700,000



7. Next Steps

- Staff will proceed with preparation of the 2022 budgets employing the structure and targets as outlined in the presentation and report

