



# Staff Report

## Finance – Budgets & Accounting

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**Report To:** COW-Finance, Admin, Fire, Legal, Community Services  
**Meeting Date:** August 14, 2023  
**Report Number:** FAF.23.120  
**Title:** 2024 Budget  
**Prepared by:** Sam Dinsmore, Acting Director of Finance / Treasurer

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### A. Recommendations

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THAT Council receive Staff Report FAF.23.120, entitled “2024 Budget”;

AND THAT Council direct staff to bring a 2024 Taxation base budget to Committee of the Whole with a tax levy increase no greater than \_\_%;

AND THAT Council direct staff to bring a 2024 Water base budget to Committee of the Whole with consumption charge increase no greater than \_\_%;

AND THAT Council direct staff to bring a 2024 Wastewater base budget to Committee of the Whole with consumption charge increase no greater than \_\_%.

### B. Overview

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Staff are bringing this report forward to get direction from Council on increases for the 2024 base budget for the tax levy and consumption charges for water and wastewater.

### C. Background

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Staff have been working on compiling both financial and non-financial information that will have an impact on the 2024 budget. The analysis section looks at the various internal and external factors that will impact the tax levy as well as the consumption charges for water and wastewater.

### D. Analysis

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#### Cost of Living Allowance (COLA)

The Town’s Compensation Administration Program Policy states that annual COLA be based on July’s Canadian Consumer Price Index (CPI). The July CPI will be released on August 15<sup>th</sup> therefore staff are basing estimates on the June CPI at 2.8%. CPI has seen a decline in the previous months, with May CPI being 3.4% and April at 4.4%.

The policy outlines that COLA will be between 1.5% and 3% and a minimum and maximum, staff are forecasting the increase to fall within this range. For every 1% increase to COLA there is roughly a 0.5% impact on the tax levy and 0.5% impact on both water and wastewater consumption fees.

### **Solid Waste Collection Contract**

Starting on October 1, 2023, the Province is taking over collecting recycling (blue and grey boxes) and the Town will still be required to collect garbage and organics. Staff initiated a tender in early 2023 which has resulted in a substantial increase to the solid waste contract costs. Operations staff are bringing forward a report to outline options to potentially decrease these costs.

Currently the new solid waste collection contract will have a 3.79% increase to the 2024 tax levy.

### **Asset Management Reserve Fund Transfers**

Staff have started to rely on the Non-Residential Building Construction Price Index to index annual transfers to asset management reserve funds; this is the same index used for annually indexing Development Charges. Staff are looking to use the 2023-Q2 index; however, that rate has not been published as of the writing of this report. As a starting point staff have indexed the transfers using the Q1 rate of 12.3%, staff are expecting this rate to decreased for Q2.

For taxation this represents a \$270,000 increase or 1.38% increase on the tax levy. For water users the 2023 monthly fixed charges is currently \$20.15, a 12.3% increase will bring the charge up to \$22.63 which equates to an additional \$29.76 per year. On the wastewater side users are currently paying \$17.03 which will increase to \$19.12 which equals an additional \$25.08 per year.

### **Revenues**

As per past practice staff are indexing fees and charges by the COLA increase, unless staff feel that the increase will have too large an effect on user-groups. Staff monitor surrounding municipalities' fees and charges and look to not over charge and push user-groups to another Town.

Through the 2024 budget staff are looking to bring forward the new Planning, Development Engineering, and Building fees and charges and the associated revenue streams.

Staff monitor the main funding streams each year and as of Q2 2023, some of these streams are running over-budget such as BVCC hall and ice rentals and Tomahawk greens fees and memberships. Staff will continue to monitor and look to increase those line items to reflect revenue expectations.

The 2023 approved budget included \$850,000 in supplemental taxation. Staff are forecasting to end 2023 on budget and are forecasting to keep this budget flat for 2024. Staff continue to work with MPAC to get all assessment onto the roll as soon as possible.

At this time MPAC is projecting a 2.01% growth for 2024 which will help offset any required tax rate increase.

### **Timeline**

Staff were originally scheduling the budget meetings with Committee of the Whole in early December; however, this has been delayed until January 2024. The delay allows staff and consultants more time to wrap up the organization review and the Planning and Development Service fee review.

This timeline has an expected by-law approval for March 2024.

## **E. Strategic Priorities**

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### **1. Communication and Engagement**

We will enhance communications and engagement between Town Staff, Town residents and stakeholders.

### **2. Organizational Excellence**

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

### **3. Community**

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

### **4. Quality of Life**

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

## **F. Environmental Impacts**

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N/A

## **G. Financial Impacts**

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Given the cost increases facing the Town in 2024 staff would recommend a 3% to 5% target for the Draft 2024 Operating Budget, with a similar target range for both Water and Wastewater consumption fees. For the average household in the Town this would equate to a:

- Tax Annual Increase - \$ 65 to \$108 on the average assessment household (\$555,840)
- Water Annual Increase - \$23 to \$30 on the average household (180 m<sup>3</sup>)
- Wastewater Annual Increase - \$20 to \$26 on the average household (180 m<sup>3</sup>)

## **H. In Consultation With**

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Amy Moore, Manager of Revenue

## **I. Public Engagement**

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The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Sam Dinsmore, Acting Director of Finance / Treasurer, [directorfit@thebluemountains.ca](mailto:directorfit@thebluemountains.ca) .

## **J. Attached**

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None.

Respectfully submitted,

Sam Dinsmore  
Acting Director of Finance / Treasurer

For more information, please contact:  
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### Report Approval Details

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

**Sam Dinsmore - Aug 1, 2023 - 3:33 PM**

**Shawn Everitt - Aug 2, 2023 - 10:58 AM**