



Taxation & Area Rates Budget 2024

February 1, 2024

Budget Cycle for 2024



- Dept. Managers – Draft Capital Projects
- Capital Presentation – Nov 23, 2023
- Assessment Roll Received - December 2023
- Impacts Presentation – Dec 14, 2023
- 2023 prelim. year end (internal) – Jan.15, 2024
- Distribution of Budget Materials – Jan.19, 2024
- **Consolidated Budget Presentation – Feb. 1**
- Municipal Budget Adoption – Feb. 13, 2024





Assessment

Assessment Summary



- CVA Frozen at 2016 Values
 - COVID-19 Delay/**Provincial Policy Delay** in provincewide reassessment
- True growth
 - 1.26.% increase in actual assessed values (1.15% in Residential classes)



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Grants and Other Funding

Provincial Grant Details



- **O.M.P.F.** grant in 2023 \$1,133,700
– increase of \$12,300 from 2023

- **O.C.I.F.** grant for 2023 \$304,404
– decrease of \$53,718 from 2023



Federal Grant Details



- Continue use on capital roads projects
 - Only eligible on contracted services and materials **\$586,452** (increase of \$23,524)
 - This is currently the only stable source of outside funding used for road reconstruction

The federal Gas Tax Fund is
now the Canada Community-
Building Fund.



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#CCBF



Capital Budget – 2024

Updates

Capital – Amendments

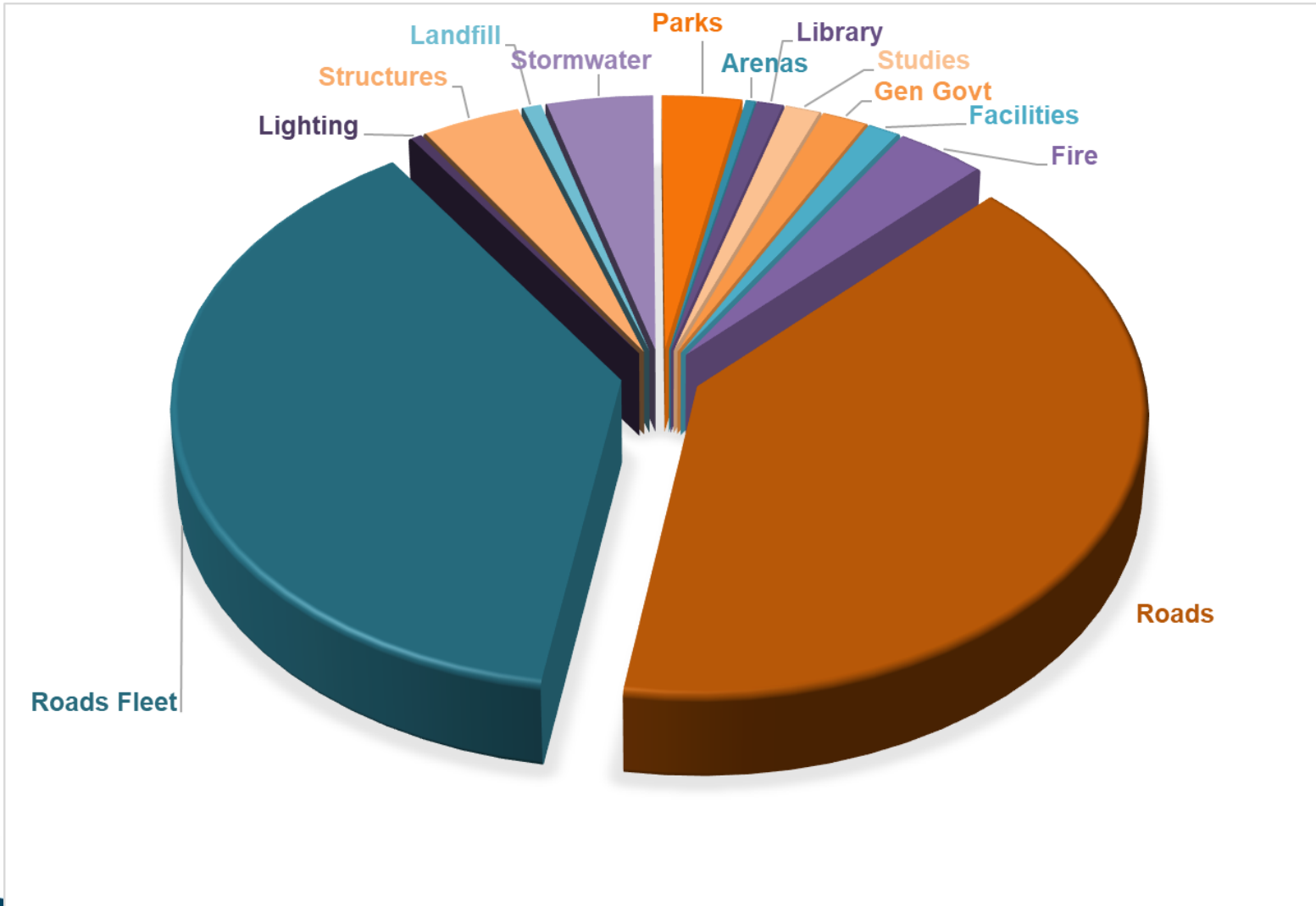


- 2023 year end still underway – \$ impacts
- Capital Program Updates for changes
- Studies placeholder amounts included
- Capital investments significant with Roads projects and Equipment purchases

\$4.5 million with studies included

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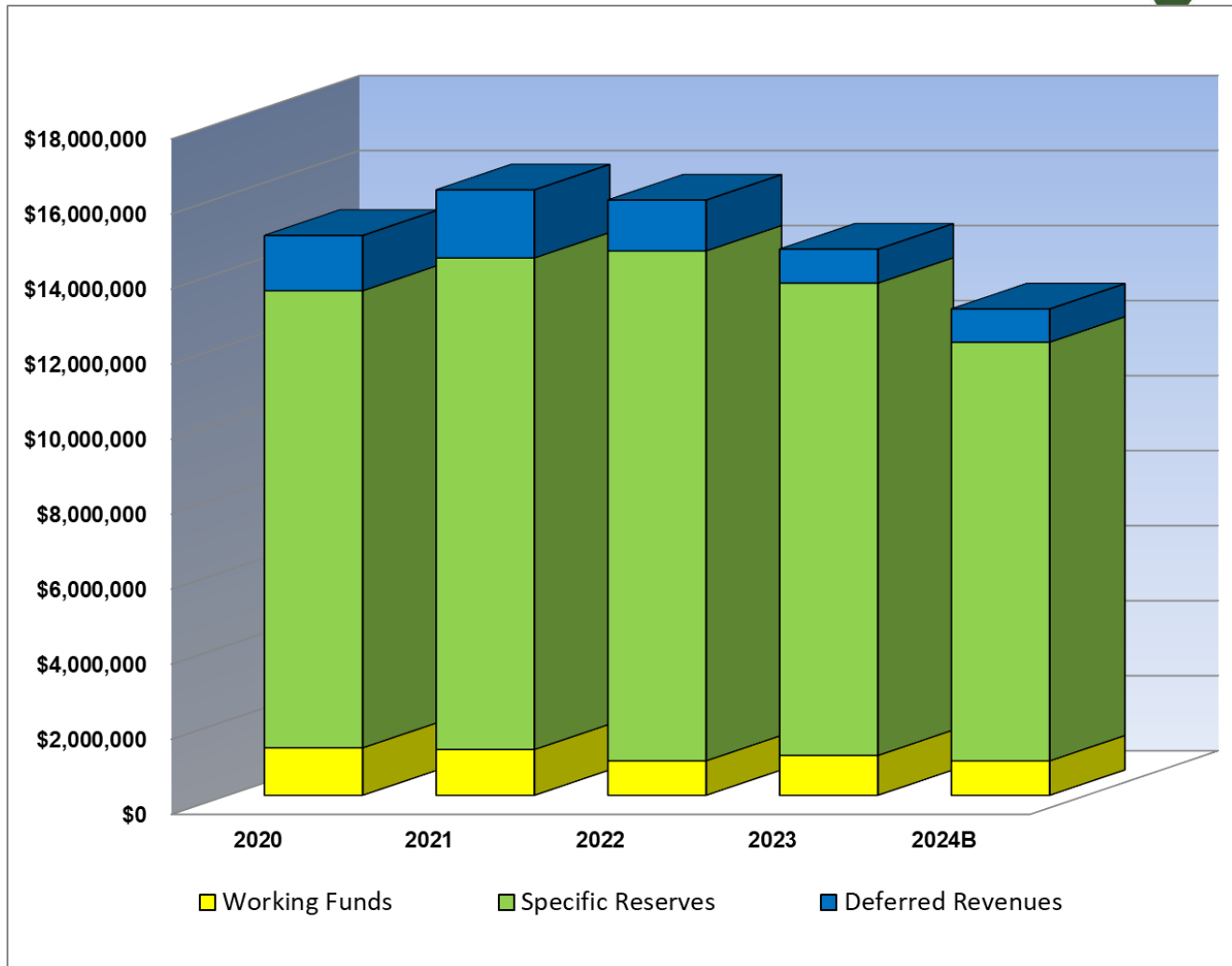
Capital Budget Summary





Reserves

Reserve Overview

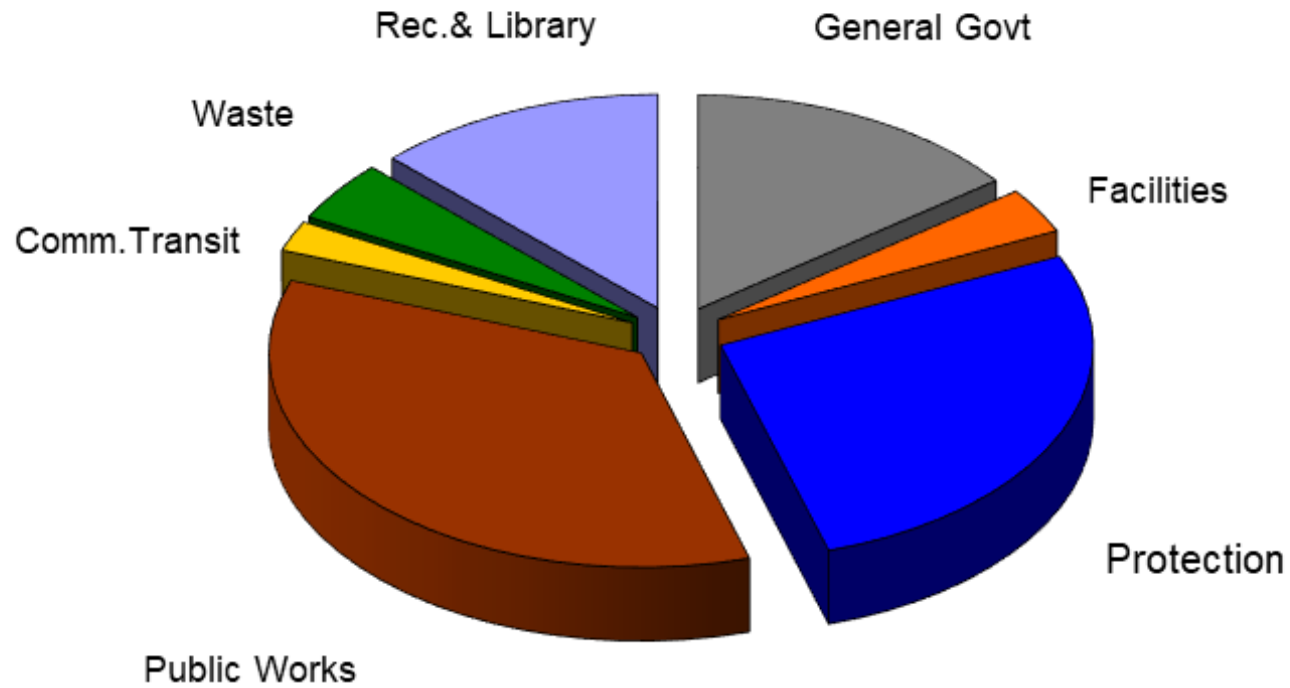




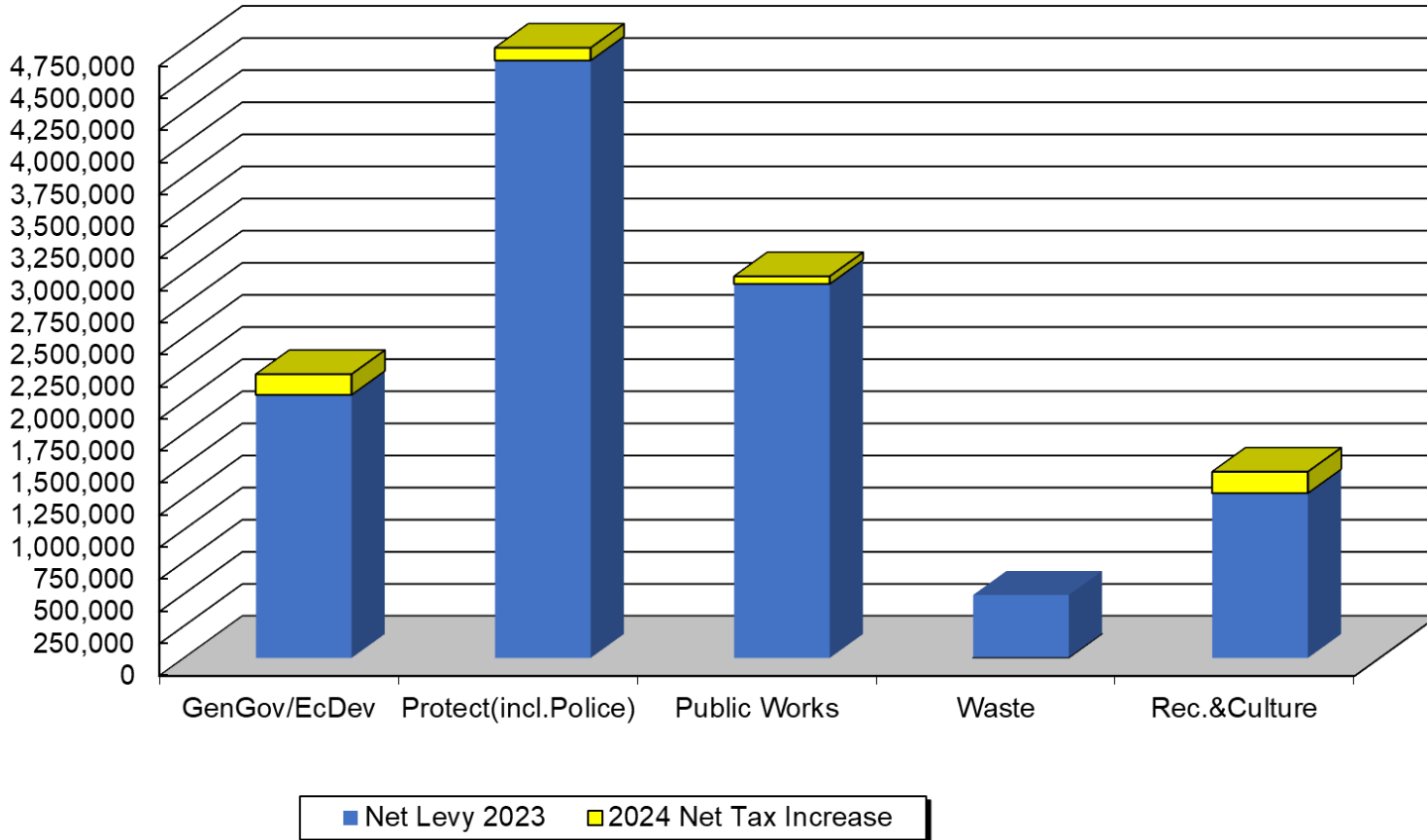
Impacts

Gross Expenditures 2024

(Summary by Cost Center)



Net Funding Requirement (by cost center)



Tax Levy Increases (summary)



• General Government	\$ 160,252
• Fire Services	\$ 95,877
• Winter Control	\$ 38,856
• Stormwater	\$ 22,682
• Arena Support	\$ 32,544
• Library Services	<u>\$ 133,634</u>
• Total	\$ 480,846
• Less: Assessment Growth	<u>(\$124,401)</u>
• Net Tax Levy Increase	\$ 356,445

4.11%

Cuts/Rationale to achieve 4.11%



• Fleet (increase in hourly charge)	\$ 75,000+
• Arenas – transfer for plants	\$ 30,000+
• Grant use for AMP expenses	\$104,500
• Additional Built-In Reserve Transfers	\$ 75,000+
•	
• Human Resources – phased in	\$ 105,000
• Expenses Reduced	\$ 34,000
• User Fees/Op. Receipts Increased	\$ 35,500
• Accumulated Revenue Use	\$120,000
• Finance - fine tuning of estimates (net)	\$ 30,000
• Addt'l Accumulated Revenue Use	<u>\$ 26,000</u>
• Total	\$635,000

Tax Levy Increase



- What is 1% increase in spending in 2024?
- **\$87,350** of new expenditures
 - equals a 1% increase in the net tax levy (adjusted for real growth)



1% increase differs greatly



- **City of Peterborough (2024)**
 - Approx. \$1.9 million
- **County of Peterborough (2024)**
 - Approx. \$543,000
- **Township of Selwyn (2024)**
 - \$87,350

.. And language matters. Levy increase or tax rate increase??



Department Highlights & Next Steps

General Government



- Increasing interest on current account and investments
 - Rebounding from pandemic
- Insurance Impacts
- Human Resources
 - Remuneration and COLA Impacts



Facilities and Properties



- Old Post Office project
- Capital programs
- Asset Management – facilities maintenance and investigation



Economic Development



- **Community Improvement Plan (CIP)**
 - Current program dollars are \$75,000
 - Unspent dollars are transferred to existing CIP reserve to support financial incentives for private investment
- **Establish a new reserve CIP - Public Realm**
 - Will provide a funding source for future costs for items such as the replacement of signs, tree grates, planting..
 - In 2024, unspent dollars transferred to new CIP reserve to support financial investments in public realm



Fire Service



- Call volumes remain high and COLA impacts
- Increasing operating costs across the department
- New Communications Dispatch Agreement



**Rising Equipment Costs –
future replacement cost
challenges**

Building & By-law Enfrcmt.



- C.P.I increase on permit fees in 2024
 - Also review of new methodology for square footage calculation for permit fees
- Taxation support for By-Law Enforcement admin support



Public Works



- Human resource pressures
- Insurance Impacts
- Reconsidering Funding Sources of Capital Project Prep and Cleanup



Rising Equipment Costs – hourly equipment charge out rates – full review in 2024

Winter Control



- Sanding & salting typically dominates winter operations
- Material costs have significant impact

Set aside approximately \$18,500 to winter control contingency reserve in 2023 – balance \$69,500

Structures



- addressing requirement for tax levy support



Approx \$2.5 million in asset value

Waste Management



- Phasing in Tipping Fee increases
 - Proposed increase implemented in **April**
- CMO Contract – initial year
- Collection Contract – small fuel reduction
- Foodcycler Program Pilot – Part 2



Parks & Arenas



- Human Resources
 - Remuneration and COLA Impacts
- Using increased user fees to offset
- Increased taxation support at both arenas
 - Great strides have been made in reducing the operating deficit
 - Revenues are headed in the right direction



Library Services



- Primarily impacts of human resource impacts, including COLA
 - Phased changes to staff hours and impacts of benefit increases
 - Volunteer model challenges, requiring part time position to maintain services
- Erosion of accumulated revenue over recent years as Board mitigates impacts





Questions on Department Summary?



ORCA Levy & Police Area Rates

Otonabee Conservation



- Selwyn portion of total levy \$249,237
Up \$7,502 over 2023 – 3.1%



An external levy
with separate tax rate.

OPP Costs in Rural Wards



- 2022 year-end adjustment
 - Charge of \$4,651 impacts accum. revenue
- OPP estimate for 2024 received
 - Small increase to match contract **\$5,413**
- Impact on Smith and Ennismore only

Area Rate Levy – small increase in 2024

Police Costs in Lakefield



- Operating under contractual relationship
- 2023 schedule of costs received
 - Substantial increase over 2022 \$32,160
- Late chargeback received from City related to 2023 – verifying details

Area Rate Levy increase in 2024



Impact on the Typical Homeowner

2024 Tax Increases - Rural



Annual impact on typical homeowner	314,173
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- General Municipal Increase \$ 34.38
– an increase of 4.45%
- OPP Area Decrease -\$ 2.03
– an decrease of .97%
- Total Municipal - Rural \$ 32.35
– an increase of 3.30%



2024 Tax Increases - Village



Annual impact on typical homeowner	314,173
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- **General Municipal Increase** \$ 34.38
– an increase of 4.45%
- **Police Area Increase** \$ 25.74
– an increase of 5.35%
- **Total Municipal - Village** \$ 60.12
– An increase of 4.79%





Questions?



Community Transportation Option for Consideration

Community Transportation Climate Change Action Plan



- Make public transportation more appealing to increase its usage
 - a change from prioritizing cars and passenger travel that is really individualized
- Investments in public transportation systems will help our efforts in battling climate change



Rider Testimonials



“The Link bus is great for me I work in Lakefield and live in Peterborough I take it everyday for work”

“I am a Trent student who lives in Ennismore. I have used the bus many times and find it really helpful.”

“I am a disabled student who can't drive and The Link has opened up many opportunities for me to get around independently, which I was previously unable to do”

*“I love the **The Link**... I am totally dependent on the Links service to provide the transportation I need to get into Peterborough...”*



Community Transportation Taxation Support



- Pilot program nearing completion
- Feasibility study results in 2024 Q1
- Selwyn tax support will be required
 - Option to begin in 2024 – initial \$75,000 levy amount



The transit levy is proposed to start a gradual phase in of taxation support for the Link.

2024 Tax Increase - Transit



Annual impact on typical homeowner	314,173
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- Addt'l Transit Increase \$ 6.61

The increase to the Net Tax Levy would be \$431,445
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4.97%





Questions?

Recommendation



- That the report of the Manager of Financial Services regarding the Taxation Budget 2024 – Draft be received for information; and
- That Council supports the adoption of the 2024 Taxation Budget based on the final budget package as presented and discussed, inclusive of the updated Capital Project Summary and Transit Levy, on February 1, 2024; and
- That the Manager of Financial Services prepare a PSAB Compliance Report for the February 13, 2024 meeting of Council for the formal the adoption of the 2024 Taxation and Area Rate Budget.

