



OAKVILLE

REPORT

2022 Budget Committee

Meeting Date: December 14, 2021

FROM: Finance Department

DATE: December 7, 2021

SUBJECT: 2022 Operating and Capital Budget Deliberations

LOCATION: Add address

WARD: Town-wide

Page 1

RECOMMENDATION:

1. THAT the staff report dated December 7, 2021, entitled *2022 Operating and Capital Budget Deliberations* from the Finance Department, be received.
2. THAT items 5.2 to 5.7 be received by the Budget Committee and that the recommendations be considered as part of Appendix A of this report.
3. THAT the recommendations contained in Appendix A of this report be approved.

KEY FACTS:

The following are key points for consideration with respect to this report:

- The 2022 Budget Committee is scheduled to commence deliberations at its meeting on December 14, 2021.
- Previous 2022 Budget Committee meetings were held on November 16 and November 23, 2021 at which staff presented an overview of the 2022 operating and capital budgets and forecasts.
- Public delegations were held on November 30 and December 2, 2021.
- The 2022 Rates and Fees were presented to Council at the November 16, 2021 meeting and included as Appendix A to the November 9, 2021 report from the Finance Department. Any recommendations regarding the 2022 Rates and Fees will be considered as part of this meeting.

BACKGROUND:

As part of the 2020 budget recommendations, Council approved the following guideline for the preparation of the 2021 to 2023 budget:

That, in addition to Council's existing direction to keep overall property taxes in line with inflation for 2020, that the 2021, 2022 and 2023 budgets be prepared keeping overall property tax increases in line with inflation.

Budget Committee meetings have been held to date for the purpose of reviewing the 2022 recommended operating and capital budgets. The meetings provided the Budget Committee with an overview of the proposed 2022 budgets and an opportunity to hear input from public delegations. Final approval of the 2022 operating and capital budgets and 2022 rates and fees is scheduled for the December 20, 2021 Council meeting.

COMMENT/OPTIONS:

On November 16, 2021 staff provided an overview presentation of the 2022 operating budget, 2023 and 2024 operating forecasts along with the proposed 2022-2031 capital forecast and financing plan. In addition, proposed 2022 rates and fees were presented at this meeting.

Council was advised at this meeting that the proposed town increase was 2.30% for an overall tax increase of 1.70% when combined with the projected increases for the Region (2.00%) and Education (0%). As presented, the 2022 proposed budget has been prepared in accordance with Council's direction. The staff recommended budget maintains existing service levels and provides funding required to meet the capital infrastructure maintenance and growth needs within the town.

Subsequent to the November 16, 2021 meeting, the Region released their budget overview. This overview forecasted a Regional tax increase of 2.16%. As a result of this change, the projected overall increase for the town rose from 1.70% to 1.76%.

Also subsequent to the November 16, 2021 meeting when assessment growth of 1.00% was presented, an updated assessment growth figure of 1.44% has been determined which is estimated at \$947,900. The town's past practice has been to align the assessment growth recognized in the budget with the growth impacts of the current year and any difference be transferred to the Tax Stabilization reserve to be used in future years when there are additional growth impacts.

To assist the Budget Committee with deliberations, a draft recommendation for the committee's consideration has been included as Appendix A. The draft recommendation will require revision and finalization based on the committee's

discussions. Also included with the report are Appendices B through F with information that was requested by the Budget Committee at the November 23, 2021 meeting as well as Appendices G and H with information requested at the November 16, 2021 meeting.

The town's Rates and Fee Policy states that "the Town of Oakville will collect user fees to recover the costs of services where it is determined that a service provides direct benefits to individuals, groups, and businesses, unless otherwise directed by Council." The policy promotes full cost recovery of services for which user fees are charged and provides guidelines for exceptions. In addition, the policy requires that each year, as part of the budget process, the town updates its fees and charges charged under the Municipal Act 2001, section 69(1) of the Planning Act and section 7 of the Building Code Act. The proposed 2022 rates and fees were presented to Council at the November 16, 2021 meeting and included as Appendix A to the November 9, 2021 report from the Finance Department. Any recommendations regarding the 2022 Rates and Fees will be considered as part of this meeting.

CONSIDERATIONS:

(A) PUBLIC

All Budget Committee meetings are open to the public and are advertised in the Oakville Beaver and on the town's website. Public delegations on the 2022 budget were received on November 30 and December 2, 2021.

(B) FINANCIAL

The 2022 operating and capital budgets as presented are in line with Council's direction. The final 2022 operating and capital budget recommendation will be determined by the Budget Committee at this meeting, presented as a motion and, upon approval, will be forwarded to Council for consideration on December 20, 2021.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

All departments have been involved in the budget process.

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal(s) to:

- be accountable in everything we do
- be fiscally sustainable

(E) CLIMATE CHANGE/ACTION

Climate change/action is a key priority of Council. The proposed budget will incorporate climate change initiatives in alignment with this strategic priority.

APPENDICES:

Appendix A - Draft 2022 Budget Recommendations

Appendix B - Options to consult Council on website rebuild

Appendix C - Use of apps to further access Oakville programs, services and information

Appendix D - Gapping of positions by program

Appendix E - Deficient pavement quality

Appendix F - Options to reduce the tax impact down to an overall increase of 1.6%

Appendix G - Infrastructure Renewal question

Appendix H - Commercial Lease rate

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Commissioner of Corporate Services and Treasurer