



REPORT

Council

Meeting Date: November 20, 2023

FROM: Office of the Mayor

DATE: November 20, 2023

SUBJECT: The Mayor's Proposed 2024 Operating and Capital Budget to Create Environmental, Social, and Economic Sustainability in a Vibrant and Livable Community for All

LOCATION: Town Hall

WARD: Town-wide

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RECOMMENDATION:

That the Mayor's Proposed 2024 Operating and Capital Budget to Create Environmental, Social, and Economic Sustainability in a Vibrant and Livable Community for All, be received.

KEY FACTS:

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

- As a result of Bill 3, *Strong Mayors, Building Homes Act, 2022*, the town's budget process and timeline has changed from previous years. The Act assigned to the mayor the powers and duties of the municipality with respect to proposing and adopting a budget.
- Council unanimously endorsed a Budget Direction to Staff early this year to prepare a budget with a total tax increase not to exceed 4.5 per cent. Council reaffirmed its support for the 4.5 per cent limit in November.
- Staff satisfied this Budget Direction with an assumption the Halton Police budget request would conform to budget guidance given the Halton Police Board for a 5.7 per cent limit to their increase.
- The Halton Police budget request for an increase of 9.5 per cent drove the staff-prepared budget from an impact of 4.28 per cent total increase to 4.8 per cent.
- Last year, the town was able to postpone some impacts of inflation. We achieved a 2023 budget with a total tax impact of significantly less than inflation. The total tax increase was 3.79 per cent and inflation was 5.9 per cent.

BACKGROUND:

The Mayor's proposed budget has been prepared in line with the latest, September, Bank of Canada core inflation measures range between 3.8 and 4.4 per cent.

This year, we have a path to an overall tax increase that is within the range of the Bank of Canada's core inflation measures.

I propose we achieve this with the following changes to the Staff-developed budget:

1. Add the tax-reducing effect from the Halton draft budget proposed change from 5.39 per cent to 5.06 per cent, reducing the total tax increase impact from 4.8 per cent to 4.67 per cent.
2. Add the new information from MPAC increasing assessment growth from 2.09 per cent to 2.27 per cent with the effect of reducing the overall 2024 tax impact from 4.67 per cent to 4.60 per cent.
3. Reduce the allocation for the Transit Energy Services Agreement (ESA) to reflect new timing of the ESA payments to begin in June instead of January as previously assumed, with the result of reducing the 2024 total tax increase from 4.60 per cent to 4.44 per cent.
4. Reduce the allocation for Fuel to reflect the Province's announcement to extend the gas and fuel tax cut to June 2024 and further analysis of expected fuel rates in 2024, with the result of reducing the 2024 total tax increase from 4.44 per cent to 4.39 per cent.
5. Cap the increased allocation for the office of mayor and council at 4.5 per cent, with the result of reducing the 2024 total tax increase from 4.39 per cent to 4.36 per cent.
6. Include funds to address the impacts of the recently ratified collective agreements with an impact on the total tax increase from 4.36 per cent to 4.39 per cent.
7. Defer 1.0 FTE in the Administrative Executive Leadership program related to the Strategic Initiatives and Business Support Team from 2024 to 2025, reducing the 2024 total tax increase from 4.39 per cent to 4.38 per cent.

The following items were referred to the Mayor for consideration:

- a. an increase of \$110,000 (.02% increase to the overall tax levy) to the municipal grants provided by the town, with an additional \$10,000 made available to each Business Improvement Area (BIA) for their events (for a total of \$20,000 to each BIA) and \$20,000 made available to each ward without a BIA to support existing or new town run events in these wards, and that staff be requested to report back on a policy and/or procedure to administer this program and how this relates to our Special Events Strategy; and/or,

- b. an increase of \$30,000 (.005% increase to the overall tax levy) to the municipal grants provided by the town, for the three (3) Business Improvement Areas for an annual total of \$20,000 to each BIA (\$60,000 total); and/or,
- c. an increase of \$40,000 (.007% increase to the overall tax levy) to the municipal grants provided by the town, with \$10,000 made available to each ward without a Business Improvement Area to support local events and community engagement, and that staff be requested to report back on a policy and/or procedure to administer this program and how this relates to our Special Events Strategy; and/or,
- d. an increase of \$42,000 (.007% increase to the overall tax levy) to provide \$3,000 more per Councillor for the Community Outreach and Professional Development budget; and,
- e. the addition of a town-wide windrow service; and,
- f. that the Mayor's 2024 capital budget incorporate the inclusion of a new capital project entitled "Oakville Public Library Community Newspaper Digitization" to address the need to preserve OPL-owned, at-risk, physical newspapers through digitization with the intent of making them available to the public via an updated and user-friendly local content portal at a cost of \$313,500, with \$213,500 of funding provided by OPL's own Development Reserve and the remaining \$100,000 from town sources; and,
- g. that the Mayor's 2024 capital budget incorporate the inclusion of a new capital project entitled "Bronte Market Square Placemaking" to conduct a placemaking exercise. Inclusion of this project would be for a cost of \$35,000.

Considerations:

1. The mayor's proposed budget does not include increased funding for Business Improvement Areas events. BIAs have their own levying power. We should resist shifting funding for BIA activities or events to the general tax levy. If an extra event is desired or required by the Ward 1, 2, and 3 BIAs in the name of community benefit, in fairness and equity the other four wards might equally benefit from such funding of events. Because the Ward 1, 2, and 3 BIAs already receive \$10,000 for this purpose, doubling this grant would require if fairness and equity for the other four wards were addressed that the total expenditure from the general tax levy would increase by \$110,000 to a total of \$140,000. For this reason, I have not included the various versions discussed in the referrals listed as a, b, and c, above.
2. The mayor's proposed budget maintains the \$9,000 allowance per member of council. No member has spent the entire allowance. There is an estimated positive variance expected at the end of this fiscal year of \$80,000 unspent in

this account. For this reason, I have not included the funds discussed for this purpose in item d above.

3. The mayor's proposed budget includes enhancing windrow opening service with no increase in taxes. Commissioner Fu has developed a service expansion to a limit of 1100 driveways (from the current 450) at a full cost-recovery rate of \$118 plus HST, with the current users carried forward at the 2023 rate. The current users have a cost of \$67,000 already in the base budget, less the fees they pay. The new users of the service would be added at the new full recovery rate on a first-come, first-served basis. Next year, all users will be at the cost recovery rate. Staff will explore ways to increase our capacity for future years.
4. The mayor's proposed budget includes for the need to preserve the OPL-owned, at-risk, physical Oakville newspapers by digitization with the goal intent of making them available to the public via an updated and user-friendly local content portal at a cost of \$313,500, with \$213,500 of funding provided by OPL's own Development Reserve and the remaining \$100,000 from the town's capital reserve in the Mayor's 2024 capital budget with no impact on taxes.
5. The mayor's proposed budget does not include a new capital project entitled "Bronte Market Square Placemaking" to conduct a placemaking exercise to develop plans for the utilization of the Bronte Market Square for a cost of \$35,000. This funding is not needed to achieve this goal and therefore not included in the mayor's proposed budget. Staff will provide this work as part of the Bronte streetscaping project.

These considerations result in no increase to the total tax levy of 4.38 per cent proposed in the mayor's proposed 2024 operating and capital budgets for the Town of Oakville.

The adjustments between the Mayor's Budget and the Staff Draft 2024 Budget document are set out in the table below:

	2024 Impact (millions)	2024 Overall Increase (%)	Explanation
Draft, staff-prepared 2024 budget		4.80%	Staff-prepared draft budget plus police impact
<u>Adjustments</u>			
Region of Halton		4.67%	Overall increase reduced from 5.39% to 5.06%
Updated assessment growth information from MPAC		4.60%	New information from MPAC increasing assessment growth from 2.09 per cent to 2.27 per cent with the effect of reducing the overall 2024 tax impact
Transit Energy Services Agreement	(\$0.88)	4.44%	The draft, staff-prepared 2024 budget assumed that the payment schedule with PowerON Energy Solutions for the Energy Services Agreement (ESA) would start in January 2024. However, as staff continue to work through the details with PowerON, the payment schedule is expected to start in June 2024.
Fuel	(\$0.31)	4.39%	In light of the province's extension of the gas and fuel tax cut to June 2024, the 2024 fuel budget has been reduced
Mayor's budget reductions	(\$0.17)	4.36%	Effect of capping increase at 4.5% for office of mayor and council
Collective Agreement impacts	\$0.20	4.39%	To address impacts of the recently ratified collective agreements.
FTE reduction	(\$0.07)	4.38%	Defer 1.0 FTE in the Administrative Executive Leadership program related to the Strategic Initiatives and Business Support Team from 2024 to 2025
Windrow Program	\$0.00	4.38%	Expand windrow program to 1,100 driveways with a user fee of \$118 (+HST) per driveway for new applicants
OPL Digitization Project	\$0.00	4.38%	Scanning project to preserve the town's history by digitizing past editions of the Oakville Beaver. Incorporated in Capital Budget
Mayor proposed 2024 budget	(\$1.23)	4.38%	

If there are no changes to the Regional Budget, the Mayor's Budget overall tax increase of 4.38% will result in a \$33.30 to the 2024 property taxes per \$100,000 residential assessment.

2024 Residential Total Tax Impact				
	Share of Tax Bill	Tax Levy Increase	Tax Bill Increase	Impact per \$100,000
Town	42.6%	5.85%	2.49%	\$18.95
Education	20.1%	0.00%	0.00%	-
Region	37.3%	5.06%	1.89%	\$14.35
Total Tax Bill Increase			4.38%	\$33.30

COMMENT/OPTIONS:

The Mayor's Budget's overall tax increase of 4.38 percent is within the range of the Bank of Canada's core inflation measures, significantly below the increase recommended by the Budget Committee and is the lowest increase when compared to neighboring municipalities.

Municipality	Proposed Overall Increase
Oakville	4.38%
Halton Hills*	6.41%
Burlington*	6.62%
Milton*	7.20%
Mississauga*	7.26%
Hamilton*	14.20%

*Estimated figures

The Mayor's Budget effectively addresses financial challenges by strategically investing in initiatives that promote environmental, social, and economic sustainability within our community. By prioritizing key investments aligned with the town's strategic goals, the budget aims to secure Oakville's livability and vibrancy for both current residents and future generations.

Members of Council will be able to bring forward amendments to the Mayor's Budget on December 20, 2023, following public delegations that will be held on November 28, 2023

CONSIDERATIONS:

(A) PUBLIC

More than 3,000 residents and Council participated in the development of Council's Strategic Plan and 2023-2026 Action Plan, which was approved by Council on July 11, 2023. The Town of Oakville Council Strategic Plan and 2023-2026 Action Plan will guide Council's decision making and budget process over the next four years.

Members of the public can provide input by:

- Sharing with the respective Councillors,
- Email budget@oakville.ca
- Delegating to Council. Public delegations to Council on Mayor's proposed 2024 Budget will be held on November 28, 2023, and is open to the public and will be streamed online.

(B) FINANCIAL

The budget establishes the financing of the corporation for the 2024 fiscal year.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

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

(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS

This report addresses the corporate strategic goal to:

- Be fiscally sustainable and provide valued services to the community
- The Plan's four strategic priority areas that were incorporated into the [Staff Draft 2024 Budget and Business Plans](#) are Growth Management, Community Belonging, Environmental Sustainability, and Accountable Government.

(E) CLIMATE CHANGE/ACTION

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

APPENDICES: N/A

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Submitted by: Mayor Rob Burton