

Draft 2022 Budget For Council Consideration

December 8, 2021

Presented by:

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Supported by:

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Infrastructure*

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Agenda

- Introduction
- Message from the CAO
- Council Budget Review Process
- Listening to our Residents
- Key Budget Directions
- Tax Funded Operating Budget
- User Rate Funded Operating Budget
- Capital Plan
- Next Steps



Introduction

Tonight

- Draft 2022 Budget Presentation
- e-binders

What's in the e-binder?

- Executive Summary
- Financial Overview
- Division Performance Plans and Base Budget Change Reports
- Submissions from Agencies, Boards, and Commissions
- Service Level Change Request Forms
- Council & Committee Budget Requests
- Proposed Fees & Charges
- 10yr Capital Plan
- Capital Summary Forms
- Budget Survey Results



Message from the CAO

- This is a Draft Budget for debate and consideration
- Two Months ahead of last year
- Significantly more public input through our survey
- Another year of data accumulation and familiarity
- Staff involvement and leadership in the process
- Context
 - Pandemic uncertainties and Realtime impacts
 - Balancing our needs versus wants
 - Providing affordable improvements the public seeks
 - Supply Chain uncertainties and forecasting
 - Inflation impacts
 - Talent and resource scarcity
 - Government policy program impacts historically and today



Message from the CAO cont'd

- 10 Theme notes:
 - We have ***difficult decisions*** but we ***have options***
 - Midland has services that equate to ***city pressures***
 - Base budget supports services and carries ***substantial community support***
 - We must ***grow and be competitive*** in attracting residents and business
 - The facts and implications of ***government funding***
 - We must ***utilize our tools and assets*** to reinforce our capabilities
 - Align fees to use and **Growth supports Growth**
 - ***Sharing a considerable amount of data*** for transparency and awareness
 - ***Confident*** of our capabilities
 - ***Delivering results*** as staff & council while managing a pandemic response



Council Budget Review Process

DECEMBER

Su	Mo	Tu	We	Th	Fr	Sa
28	29	30	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1
2	3	4	5	6	7	8

JANUARY

Su	Mo	Tu	We	Th	Fr	Sa
26	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
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Date	Item
December 8	Draft Budget Presentation
January 13	Agencies, Boards & Commissions Presentations
January 19	Public Meeting
January 21	Final Budget Q&A Response
January 26-28	Budget Deliberations/Approval



Listening to our Residents

Budget Survey

- Open for the Month of October
- 18 questions and opportunity to provide further comments
- 306 participated in the survey
- Detailed results in the e-binder

Public Meeting

- January 19, 2022

Public Meeting

- December 13, 2021, to January 19, 2022



Key Budget Directions



Tax Rate increase limited to July 2021 annual inflation rate for Ontario for Town services (approx. 3.5%)



Water budget with 5% rate increase



Wastewater budget with 4% rate increase



10-year Capital Plan (1yr budget + 9yr forecast)



Draft budget delivered in December



Tax Funded Operating Budget

Breakdown of the 2022 Tax Levy Increase and Impact on Tax Rate

	Tax Levy Impact	tax Rate Impact	
		Town	Blended*
Base Budget (excl. SusCap Levy)	\$ 1,294,025	5.44%	4.21%
One-time	\$ (267,350)	-1.05%	-0.75%
SLCF	\$ (205,015)	-0.9%	-0.6%
Subtotal	\$ 821,660	3.53%	2.85%
Council Requests	\$ 390,200	1.62%	1.15%
Agencies, Boards, and Commissions	\$ 31,340	0.10%	0.07%
SusCap Levy	\$ 240,000	1.05%	0.75%
Total	\$ 1,483,200	6.30%	4.82%

Estimated Residential Property Taxes per \$100K of Assessment (Base + One-Time + SLCF)

	2021 Taxes	2022 Taxes	Change (\$)	Change (%)
Town Purposes	\$ 1,047	\$ 1,084	\$ 37	3.53%
County Purposes	\$ 274	\$ 279	\$ 5	1.82%
Education (set by Province)	\$ 153	\$ 153	\$ -	0.00%
TOTAL for \$100K of assessment	\$ 1,474	\$ 1,516	\$ 42	2.85%

Estimated Residential Property Taxes per \$100K of Assessment (All-in)

	2021 Taxes	2022 Taxes	Change (\$)	Change (%)
Town Purposes	\$1,047	\$1,113	\$66	6.30%
County Purposes	\$274	\$279	\$5	1.82%
Education (set by Province)	\$153	\$153	-	0.00%
Total for \$100K of Assessment	\$1,474	\$1,545	\$71	4.82%



Base Budget & One-Time

Base Budget

- Labour
- Reserves
- Fees & Charges
- Insurance
- Realized Assessment Growth
- Debt Servicing
- Legislation (Stormwater)
- Policing
- OMPF
- Community Group Support

One-time

- Election
- Tax write-offs
- Tall Ships
- Training/travel (COVID)



Service Level Change Forms (SLCFs)

Service Level Change Form - Summary

SLCF Description	Complement	Tax	Water	Wastewater	Capital
Sesquicentennial Reserve		\$ 20,000			
Talent & Development Coordinator	1	\$ 99,149			
Buyer/Purchasing Agent	1	\$ 72,692			
Discontinue Floatiefest		\$ (25,000)			
Fire Suppression Staff	1	\$ 26,241			
Cultural Alliance Student		\$ -			
Operations Convert FT Contracts to FT Permanent	5	\$ 24,635			
Sustainable Capital Reserve 5yr Plan		\$ 180,000			
Single Winter Maintenance Shift		\$ (225,000)			
Re-evaluate Community Grant Program		\$ (110,000)			
Boat Launch Paid Parking and Ramp Fee		\$ (90,000)			\$ 10,000
By-law additional enforcement (MLEO)	1	\$ 60,268			\$ 3,500
Recreational User Fee Restructuring		\$ (300,000)			
Stormwater	1	\$ 62,000			
Total	10	\$ (205,015)	\$ -	\$ -	\$ 13,500



Council & Committee Requests

Council

Task Force on
Affordable Housing

Heritage
Committee

Seniors Council

Active
Transportation
Advisory
Committee

Accessibility
Advisory
Committee



Agencies, Boards & Commissions (ABCs)

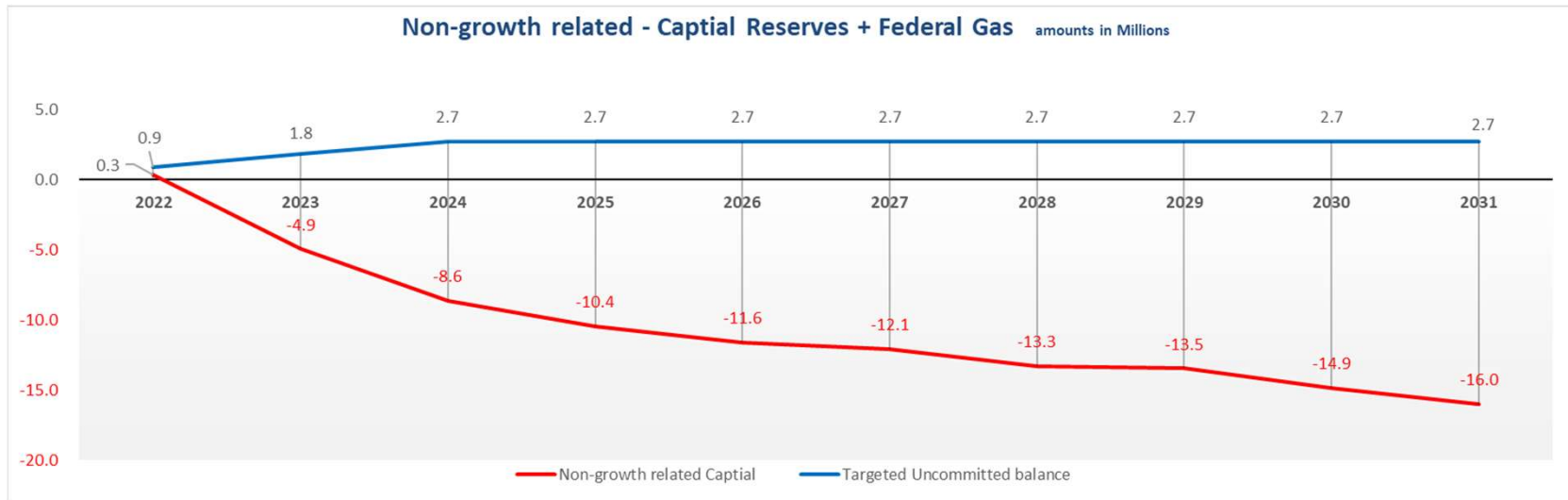
Base Budget Change Report Agencies, Boards & Commissions					Change in 2022 Requested Budget to 2021 Approved Budget	
	2020 Actuals (\$)	2021 Approved Budget (\$)	2022 Base Budget (\$)	2022 Request (\$)	\$	%
EDCNS	168,814	180,314	180,314	180,314		N/A
Huronia Airport	103,213	86,213	91,100	91,100	4,887	6%
Huronia Museum	84,000	84,000	84,000	84,000	0	0%
Library	1,158,942	1,271,660	1,309,200	1,309,200	37,540	3%
Midland Bay Landing Development Corporation	127,341	276,364	277,443	277,443	1,079	0%
Police Services Board	23,615	35,184	32,377	32,377	-2,807	-8%
Severn Sound Environmental Association	145,579	165,678	156,319	156,319	-9,359	-6%
Grand Total	1,811,504	2,099,413	2,130,753	2,130,753	31,340	1%

	(\$)
Library 2022 Operating Grant	1,309,200
<u>Capital</u>	
Carryforward from 2021 and prior	624,560
2022 new capital requests	296,400
Total Capital	920,960
Library Operating + Capital	2,230,160

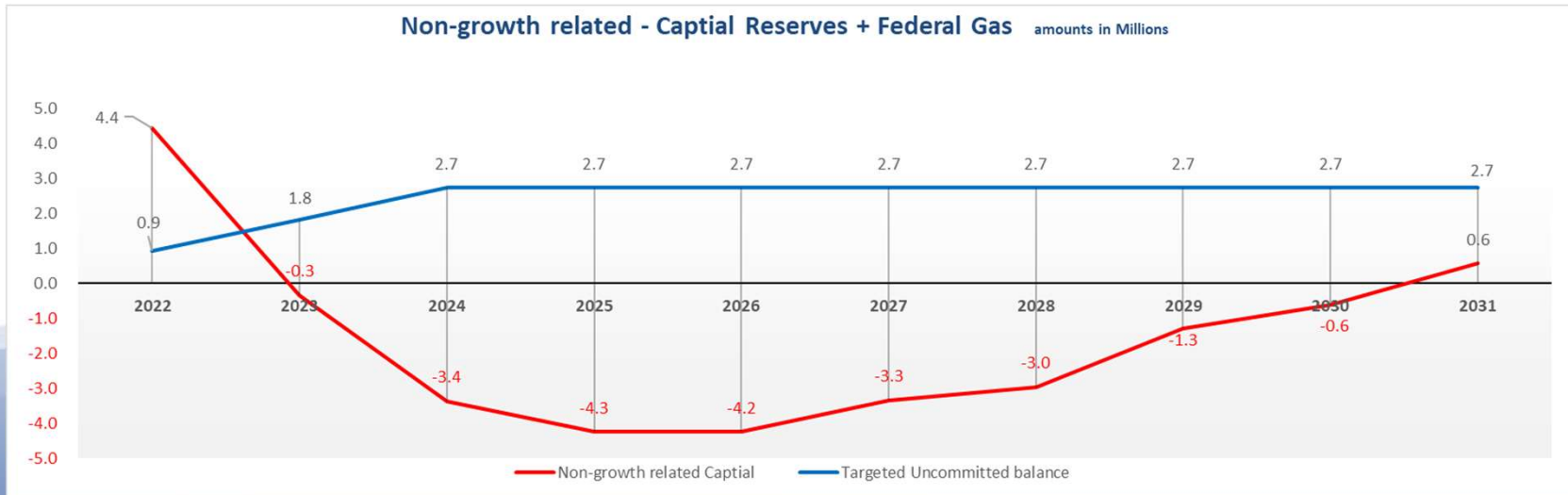


Sustainable Capital Levy (SusCap Levy)

Status Quo Alternative



2022 Draft Budget – Reinstate 1% Levy + Net Proceeds from property sales



Considerations for Tax Levy Reduction

Reductions to
specific services or
programs

Increase user fees

Examine requests
from Agencies,
Boards, and
Commissions

Alterations to
specific services or
programs



User Rate Funded Operating Budget Water & Wastewater

- MECP compliance
- MECP water license renewed in 2021
- Water Master Plan completed 2020
- Wastewater Master Plan draft 2020
- Departmental pressures
 - Asset maintenance and replacement
 - Building ahead of growth and Development Charge recovery timing



Water Infrastructure Age

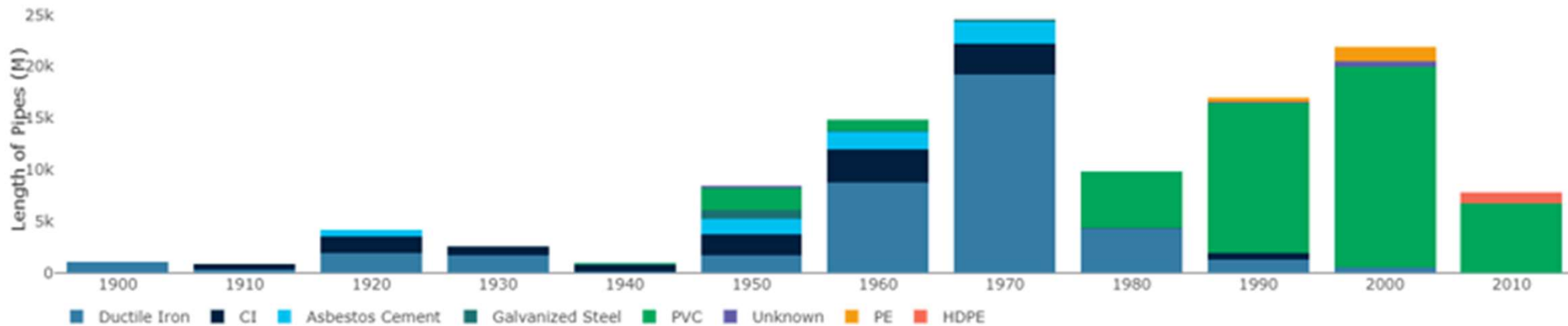


Figure 1 - Infrastructure Age



Water Infrastructure Future Needs

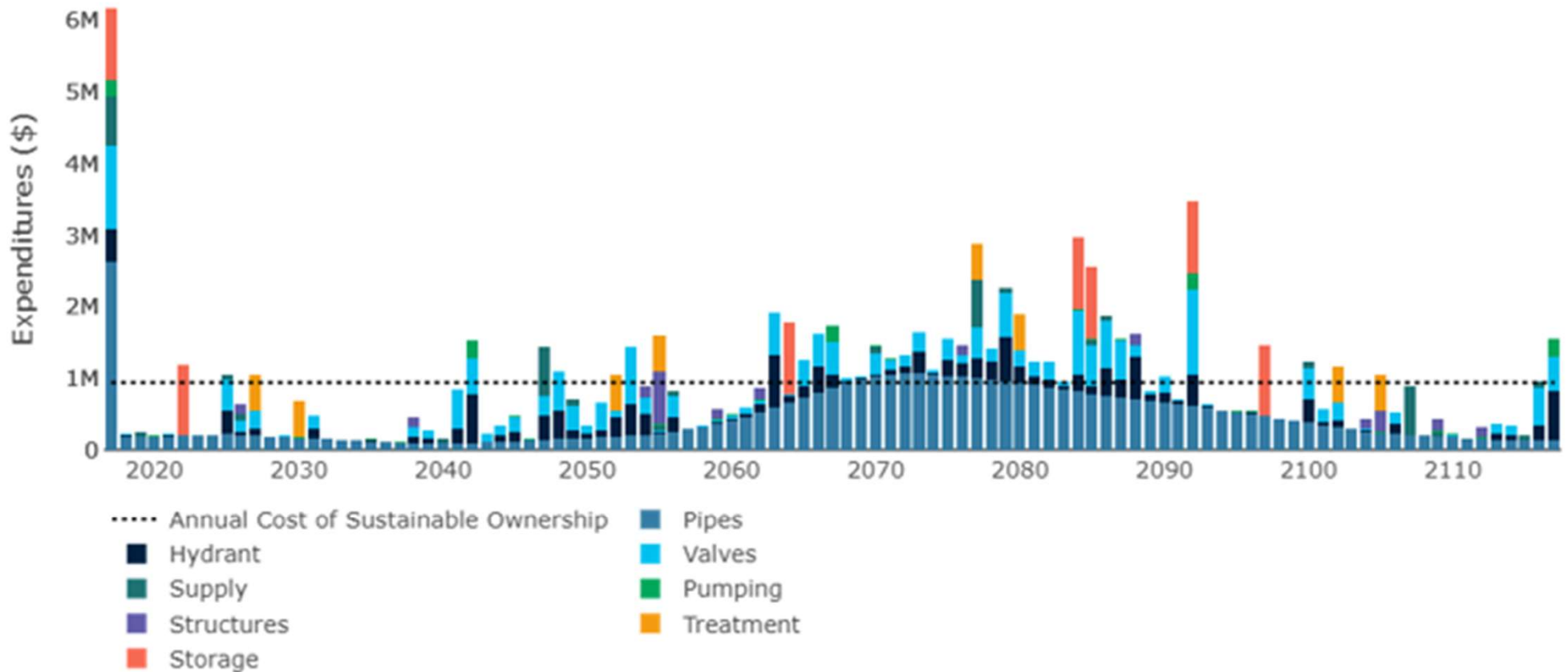


Figure 2 - Future Water Infrastructure Needs

Wastewater Infrastructure Future Needs

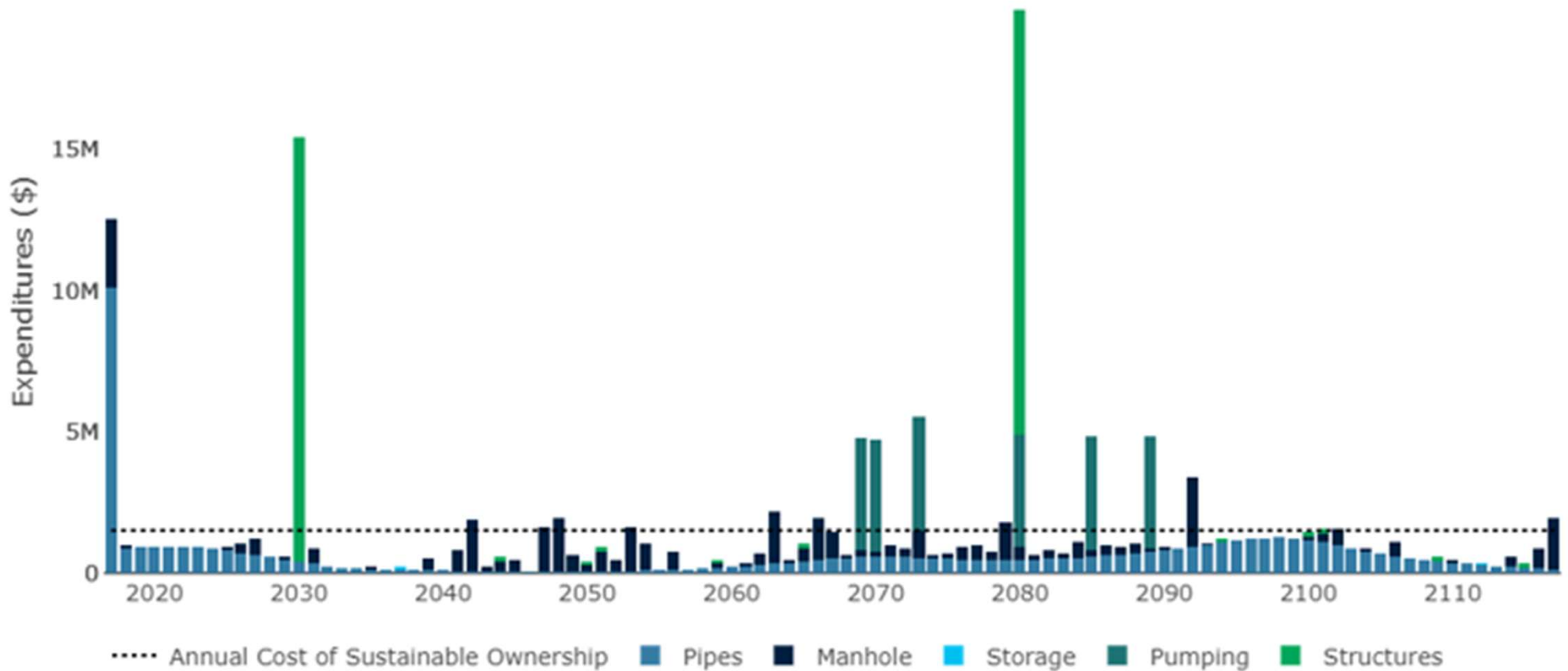


Figure 3 - Future Wastewater Infrastructure Needs



Water Financial Plan

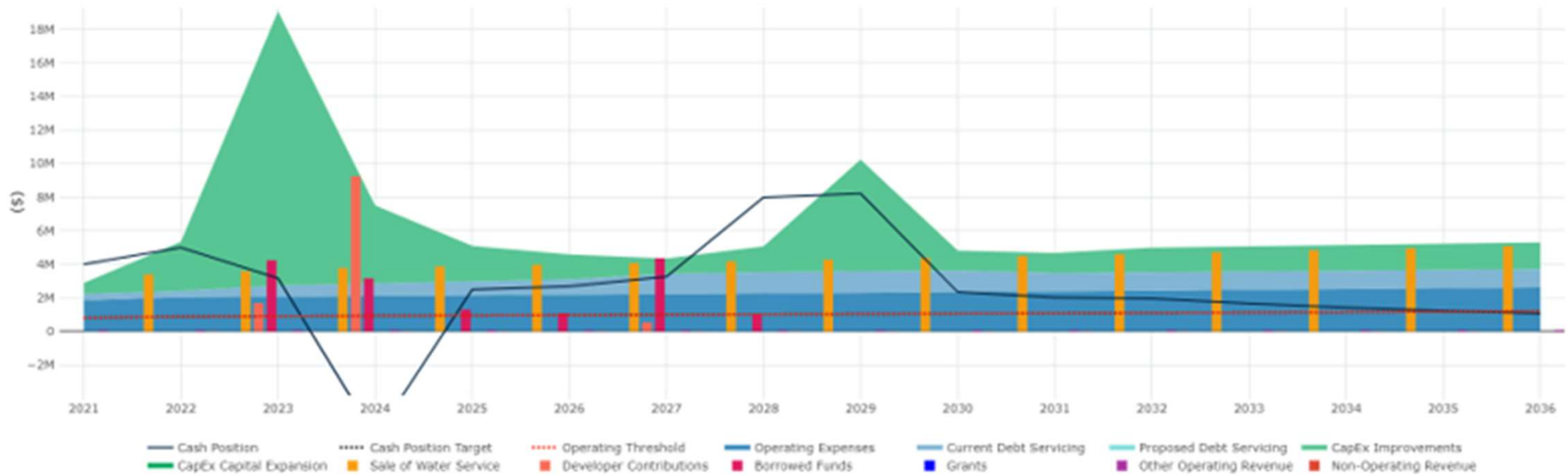


Figure 4 - Potential Water Expenditures



Wastewater Financial Plan

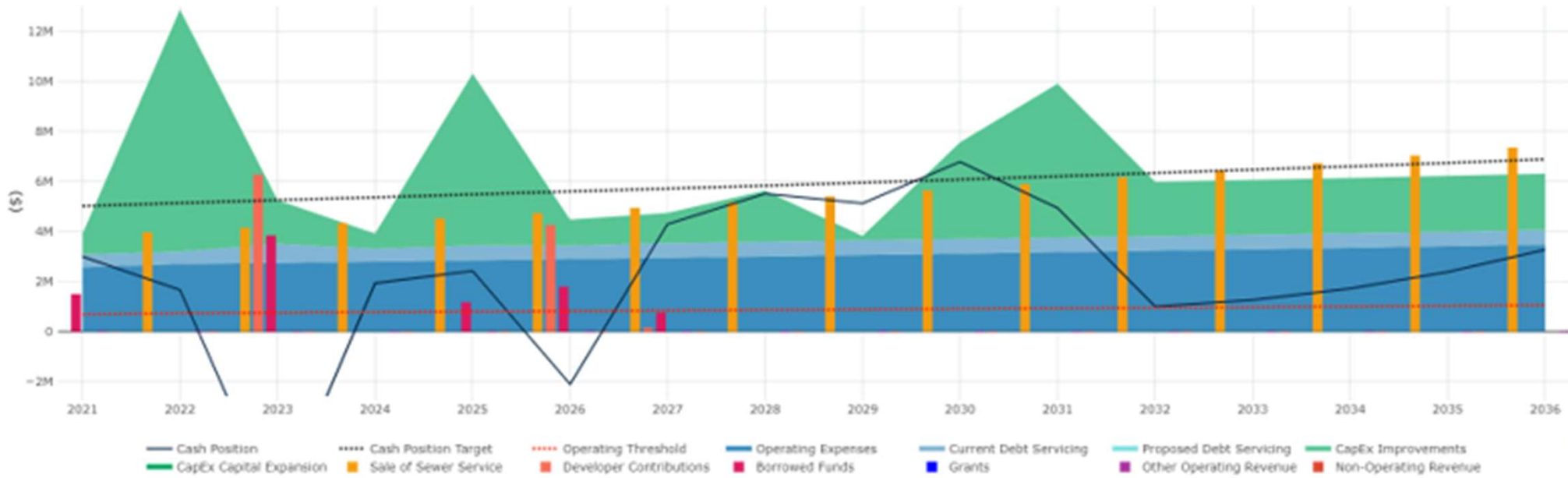


Figure 5 - Potential Wastewater Expenditures



2022 User Fees

	Water			Wastewater		
	2021	2022	Increase	2021	2022	Increase
Monthly Fixed Fee	\$12.18	\$12.79	5%	\$14.01	\$14.57	4%
Variable Rate per m3	\$1.63	\$1.71	5%	\$1.89	\$1.97	4%
Typical User using 170 m3/yr	\$423.26	\$444.42	5%	\$489.42	\$509.00	4%

Figure 6 - 2022 Proposed Residential Rates

Weekly increase \$0.41 for water and \$0.38 for wastewater

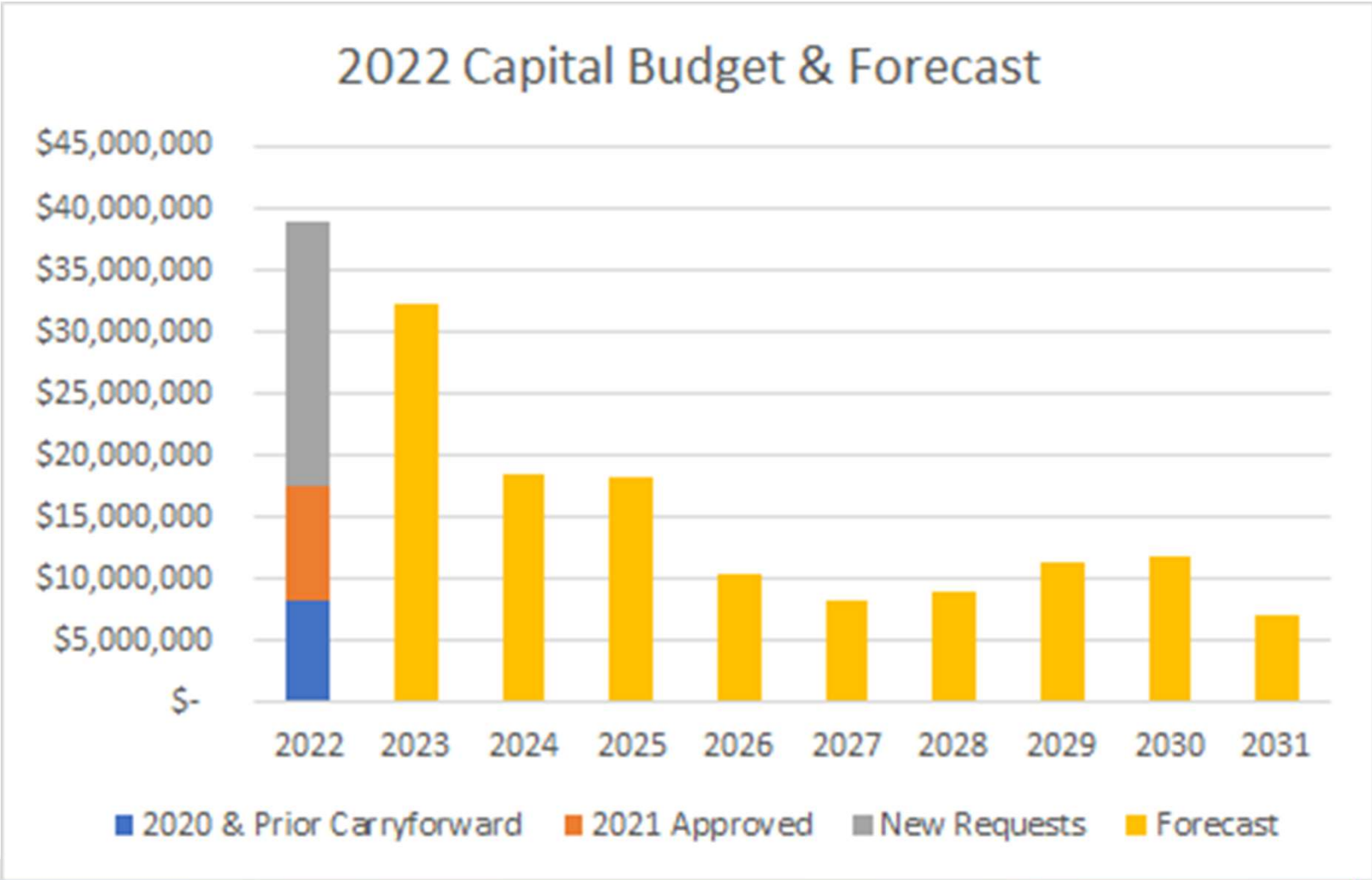


Municipal Comparators

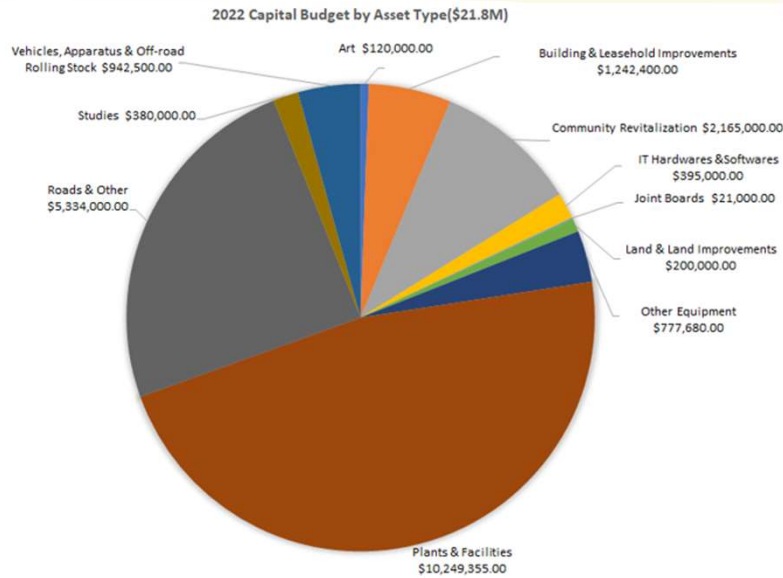
Municipal Comparison of 2022 Water & Wastewater Rates



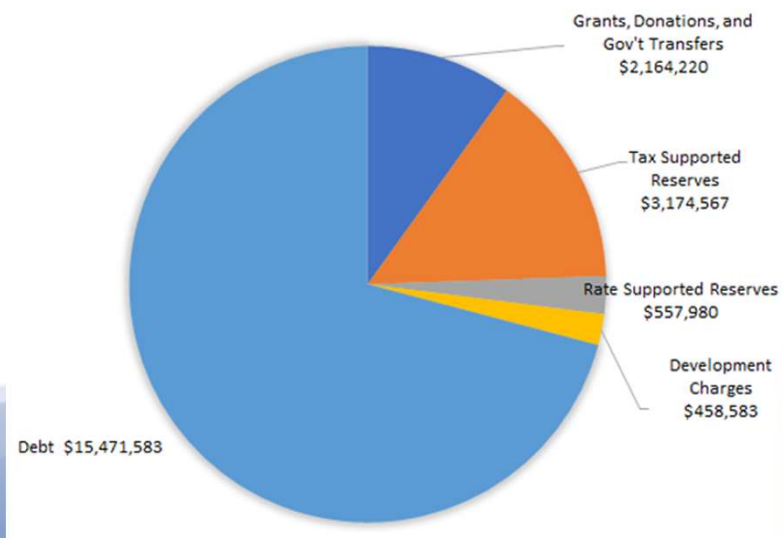
Capital Plan



Capital Plan



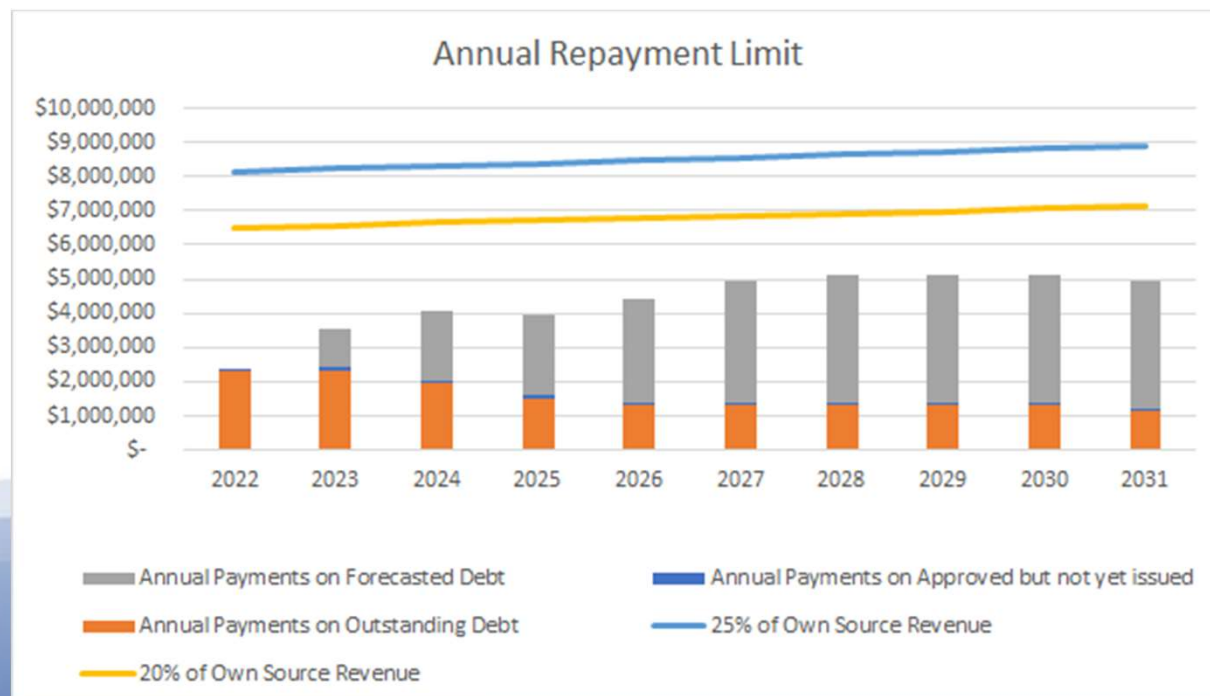
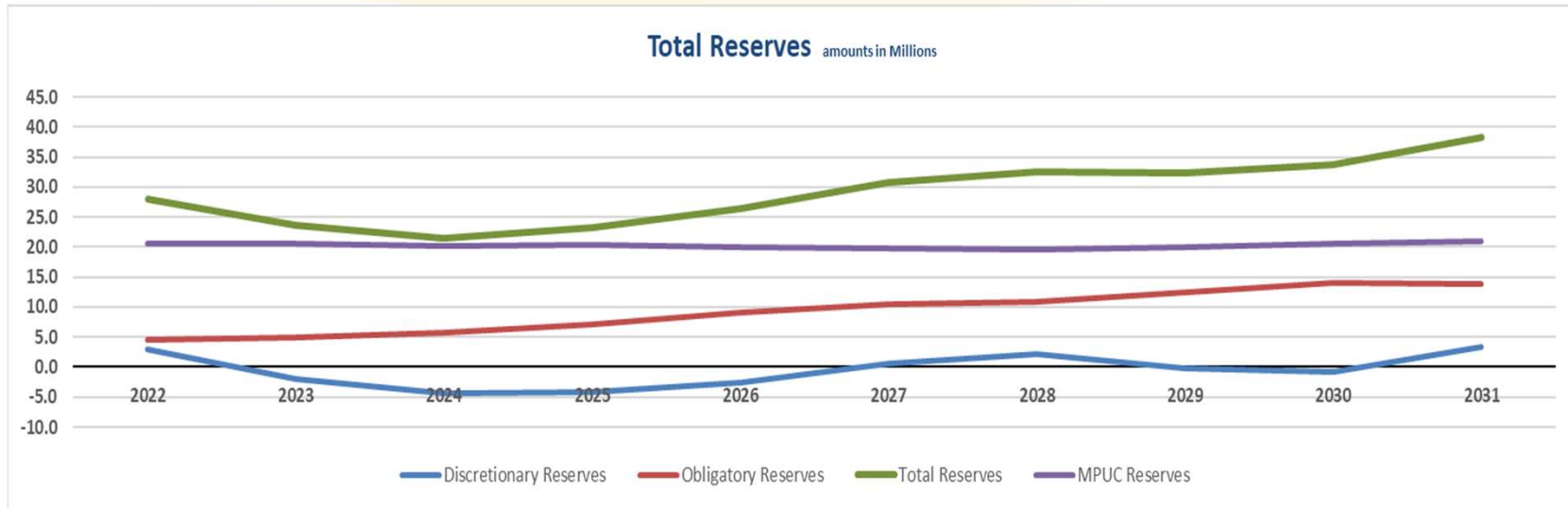
2022 Capital Budget by funding source (\$21.8M)



- Midland Point Rd. (Fuller to Portage)
- New Fine Bubble Aeration
- Headworks Upgrade
- East Pressure Tank Zone
- Balm Beach Construction
- Seventh Street Reconstruction



Capital Plan – Funding the Plan



Next Steps

JANUARY

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Email questions to
budget@midland.ca

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