



**CORPORATE REPORT**  
**The Corporation of the Town of Wasaga Beach**  
**Meeting Date: 2023-10-12**

**DATE:** 2023-10-12

**SUBJECT:** 2024 Budget – Draft 1

**CONTACT:** Jocelyn Lee, Chief Financial Officer and Treasurer

**REPORT NUMBER:** JCAC-2023-10-05

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**RECOMMENDATIONS:**

1. **THAT** the report titled: 2024 Budget – Draft 1 and the Budget Presentations to the Joint Committee of the Whole and Council meeting of October 12 2023, be received.

**EXECUTIVE SUMMARY:**

- Change in Operating Budget \$4.1M
- Change in Capital Budget – decrease of (\$22M)
- Change in County Taxes – increase of 5%
- OPP Contract \$5.5M – 4% increase
- Overall tax rate change – 5.6%

**BACKGROUND:**

On August 28<sup>th</sup>, a Council Education Session was held in the Council Chambers to review the opening 2024 Forecast and discuss the impacts and important considerations for planning purposes for the 2024 Budget. Participants in the session included council members and staff. There were observations seats available for non-participants and public.

The next step in the budget process is the first draft presentations.

**DISCUSSION:**

The Draft 1 budget total Operating expenses are \$55.8M as compared to \$51.7M last year. The total Capital expenditures are \$38.0M as compared to \$59.9M the previous year.

There are several factors that impact the change in the budget year over year, some are within the control of the municipal council, and other external factors are not. The summary shown below “Schedule of Tax Rates” helps to explain the various factors and how they are impacting the tax rates and ultimately the dollar increase of taxes in 2024 over 2023.

## Schedule of Tax Rates

	2023	2024	% Change	Ave \$ Change
Average CVA	\$ 333,000	\$ 333,000		
<b>RATES:</b>				
Town Operating	0.00468994	0.00512940	9.4%	
Town Capital	0.00072749	0.00071591	-1.6%	
OPP	0.00103572	0.00107763	4.0%	
County	0.00288800	0.00303240	5.0%	
Education	0.00153000	0.00153000	0.0%	
<b>TOTAL TAX RATE</b>	<b>0.01087115</b>	<b>0.01148535</b>	<b>5.6%</b>	
<b>TAXES:</b>				
Town Operating	1,561.75	1,708.09	9.4%	146.34
Town Capital	242.25	238.40	-1.6%	-3.85
OPP	344.89	358.85	4.0%	13.96
County	961.70	1,009.79	5.0%	48.09
Education	509.49	509.49	0.0%	0.00
<b>TOTAL TAX LEVY</b>	<b>3,620.09</b>	<b>3,824.62</b>	<b>5.6%</b>	<b>204.53</b>
(on avg CVA property)				

The above chart outlines the overall tax rate increase of 5.6%, which on an average household assessment value of \$333,000 would result in an increased tax amount of \$204.53. Of that increase, \$48.09 is related to the County tax rate change and \$13.96 is related to the OPP costs.

## Operational Highlights

The budget presentations to be provided during the October 12<sup>th</sup> meeting will cover the individual department highlights and provide the opportunity for questions, discussions and directions from council members. There will be an opportunity for public input at the public meeting scheduled for Monday October 16<sup>th</sup>. In addition to the public meeting an opportunity for the public to participate will be available beginning October 13<sup>th</sup> through the “Let’s Talk Wasaga Beach” website.

Staff have considered efficiency and program reductions, identifying savings and changes to programs where appropriate. Legislative requirements, such as Asset Management Ontario Regulation 588/17 have been considered. The budget financial strategy is to build reserves for future asset replacements and unforeseen needs, maintain debt levels within acceptable target ranges, and adjust user fees where justified. Growth and service level enhancements are highlighted within each departmental presentation.

Of significant importance to the Town is the completion of the new Twin Pad Arena and Library. As the building will be open in 2024 which will provide a new service level to the community, the operating costs are adjusted to full the operational level.

The total Operating budget is \$55.8M and of that amount the OPP cost is \$5.5M. The total Operating budget dollar change over 2023 is \$4.1M and the major changes include;

- Payroll – step, cola, grid adjustments and other \$500k
- Annualization of prior year wages and benefits new hires \$981k

• New 2024 staffing positions	\$240k
• Debenture and construction financing costs	\$570k
• Insurance costs	\$180k
• Water/Wastewater Operations	\$321k
• Police and Fire	\$743k
• Other General Increases and inflationary pressures	<u>\$593k</u>
Total Changes	\$4.1M

To build a sustainable future the Town continually replenishes reserves through federal and provincial grants received and through sound fiscal planning of reserve contributions through the budget process. Within the 2024 budget \$8.1M is replenishing reserves. The general reserves utilized in 2024 are \$13.7M, with the main draws associated with the new investment in the Sunnidale gymnasium - \$2.5M; water/sewer draws on user fee reserves - \$4.4M, carryovers for prior year fleet purchases as deliveries come through in 2024 - \$2.9M and \$1.4M current year purchases; and \$600k for tax rate stabilization.

### **Capital Highlights**

The Town continues to invest taxpayer's dollars in programs, services and infrastructure to build a thriving community for a healthy lifestyle and affordable day-to-day living.

The infrastructure work for the widening and urbanization of River Road West – Veterans-Blueberry will be well underway in 2024, and the Town is investing \$8 million in this project

Continued work on the site preparation for the west end depot includes investing \$5.7M in the project. Other Public Works projects relate to asset management upgrades and retrofits to water/sewer infrastructure with approximately \$9.7M of commitment.

The new elementary school targeted to open in 2024 in the Sunnidale Trails area includes a gymnasium that the Town has strategically partnered with the School Board to obtain recreational programming space in an economical manner. The Town's proportional share is \$2.5M.

Several playground structures, both replacements and new equipment are included in the 2024 budget with an investment of \$1.6M in Parks related playground equipment and tennis courts.

Under the Fleet initiatives, there are vehicle replacements, and some new vehicles for both transit buses and town light duty and heavy duty vehicles for servicing requirements. The budget includes \$1.4M towards maintaining the fleet requirements. Carryover amounts related to prior year purchases are also included at \$2.9M.

Drainage improvements for the west end include about \$500k of investment.

For development charge related projects, the town has used \$14.6 of deferred revenues. These revenues are received from developers to help pay for growth related infrastructure works.

### **Matters Still Being Considered for Budget Draft #2 :**

It is important to highlight that there are other matters that are still being considered, some with costs to be determined. Recommendations pertaining to the items listed next will form part of the second draft.

- 1) Some adjustments to staffing costs
- 2) Capital cost adjustments as new cost estimates are received
- 3) Carryover entries for capital projects continuing in 2024

### **CORPORATE IMPLICATIONS:**

#### **Financial Implications:**

There is no financial impact at this time as the budget is still in draft format.

However, the projected financial implication based on the draft budget is to increase taxation revenues by \$3.5M of which \$300k is for outside agencies (OPP and Conservation Authority).

The impact on the residential average household assessment of \$333,000 would be an overall tax rate increase of 5.6%. On the average home the increase equates to approximately \$205 annually.

The overall tax rate percentage increase is the rate that reflects the change in the residential taxes paid in 2023 as compared to 2024. The \$205 represents a 5.6% increase on the average home, so the 5.6% is the relevant rate to the taxpayer when considering the impact of the budget on taxes payable.

#### **Term of Council Priorities:**

This report is aligned with TOCP's under Financial Sustainability for the Well-Run Strategic Pillar.

### **CONCLUSION:**

It is important to note that the first draft has been prepared with information known at this time. As we proceed through the budget process new information may come to light at which time we will advise Council and make adjustments as required.

The second draft of the proposed 2024 Operating and Capital Budget will be presented to Committee on November 30<sup>th</sup>.

Authored by:

Jocelyn Lee,  
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