

THE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. DCAO-2023-0001

**FOR THE CONSIDERATION OF
COUNCIL**

February 1, 2023

SUBJECT: SUMMARY OF THE 2023 BUDGET FOR THE TOWN OF GEORGINA

1. RECOMMENDATION:

- 1. That Council receive Report No. DCAO-2023-0001 prepared by the Financial Strategy and Planning Division, Office of the Deputy Chief Administrative Officer, dated February 1, 2023 respecting the 2023 Budget for the Town of Georgina.**

2. PURPOSE:

This report provides a summary of the 2023 Budget for the Town of Georgina, as approved by Council on January 25, 2023.

3. BACKGROUND:

The *Municipal Act* requires that the municipality prepare and adopt a budget for each year, including estimates of all sums required during the year for the purposes of the municipality.

On November 30, 2022, staff presented the proposed 2023 Budget to Council. Following in-depth budget review and consultation with staff where necessary, Council further reviewed and deliberated the proposed 2023 Budget at their meetings on January 24 and 25, 2023.

Between November 30, 2022 and January 24, 2023, staff made the following financial amendments to the 2023 Draft Budget, which were communicated to Council the morning of January 24, 2023 during deliberations:

- Made the following adjustments to the operating budget:
 - Removed budget for armored car services of \$16,000
 - Decreased insurance budget by \$61,440 based on the renewed agreement with BFL
 - Decrease committees' budget by \$2,240 as per Report No. LS-2023-0001

- 22-CI-OI-15: Increased carryforward capital budget by \$233,560 based on report GFRS-2022-0001: Supply and Delivery – Rescue Pumper Fire Apparatus which will be funded from the Tax Rate Stabilization Reserve.
- 23-CI-CS-07: Reduce capital budget for Fire Station Repairs by \$30,000
- Reduction of OCIF grant reflected in the 2023 capital plan and ten-year capital plan.

Further to Council's direction of January 24 and 25, 2023, staff made the following financial updates to the 2023 Draft Budget:

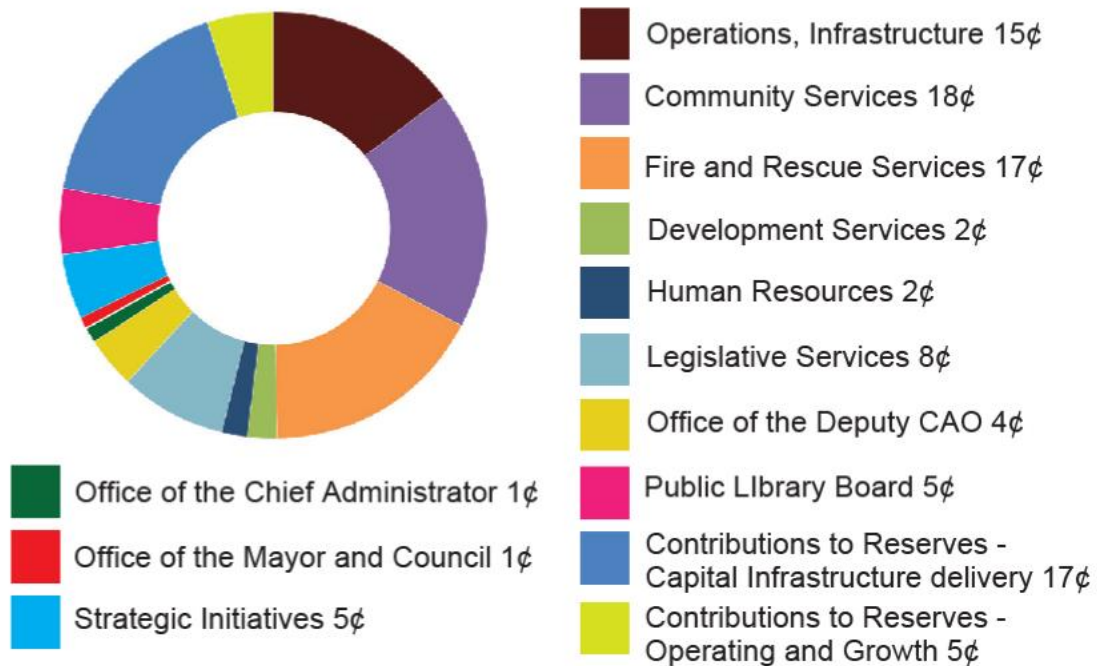
- Decision on the updated budget for the replacement Civic Centre deferred to March 1, 2023. Carryforward capital and ten year capital summaries adjusted to reflect the deferral.
- REPORT NO. OI-2023-001: Maintenance and Installation of Entrances from Municipal Highways - Increase tax levy supported operating expenditures by \$60,000 with one-time \$30,000 funding from the Tax Rate Stabilization Reserve.
- Georgina Food Pantry – new funding of \$25,000 which will be fully funded by the Tax Rate Stabilization Reserve.
- Approved The Link Sidewalk capital business case for \$75,000.
- 20-OI-22: Removable Floating Finger Dock(s) at Mill Pond Park: Remove from Cancelled project list and move back to carryforward project list for \$5,000.
- 22-CI-OI-19: Alice Avenue: Drainage and Storm Sewer Assessment: include in carryforward project list for \$50,000.
- Library Reserve Funds: \$500,000, plus any 2022 Library surplus, to be transferred back to the Town (Georgina Public Library Board's resolution GLB-2022-125). To be contributed to the Road Repairs and Replacement Reserve.
- A two per cent (\$960,830) infrastructure levy will be allocated to non-core assets and contributed to the Civic Centre reserve.

Council approved the 2023 Budget on January 25, 2023. Detailed resolutions on the Budget will be reflected in the minutes of January 24 and 25, 2023.

4. ANALYSIS:

The 2023 Budget includes 4.89% increases for the Town's operating budget, there is an additional contribution of 2.0% to capital reserves, in-line with the Ten Year Financial Plan recommendations, for a total increase of 6.89% (Town portion).

How Your Georgina Tax Dollars are spent:



The Operating Budget currently includes total expenses of \$84,724,820, which includes contributions to reserves of \$11,859,480. The primary funding source for the operating budget includes a \$51.3 million tax levy and \$16.5 million water and wastewater rates.

The Operating Budget includes 13 permanent full time positions. The requests have been broken down between new positions and modified positions. A modified position is a position that is changing from part-time to full-time. There is a heavy emphasis on Fire and Rescue services in the 2023 Budget and four of the proposed 13 positions directly relate to the delivery of Fire and Rescue services. Total budgeted salaries and benefits at the Town of Georgina, including Georgina Public Library, is \$40.9 million, which represents 48% of the Town's operating budget. The Town delivers its services using the most efficient use of internal resources, such as salaries, as well as external resources, such as contracted services and consulting.

The 2023 Capital Budget is \$25,267,000, which includes cash flow estimates of \$8.6 million related to the MURC. The carry forward (capital) Budget is \$24.6 million in capital projects, which is net of carry forward cash flow of \$21.7 million for the MURC and \$13.9 million for the replacement Civic Centre. For additional information on the Ten Year Capital Financial Plan and Debt Servicing payments, please refer to report DCAO-2022-0016.

The Town's rate supported programs, which is a separate budget from the tax levy budget, include the distribution of water and the collection of sewage including:

- Purchase of water from the Region of York
- Purchase of sewage treatment services from the Region of York

- Fire hydrant maintenance and repair
- Distribution of clean and safe water by the Town of Georgina
- Collection of sewage by the Town of Georgina

The 2023 Water and Wastewater consumption (\$/m³) rates for the Town are \$2.85 and \$3.14, respectively. This represents a 4.00% increase for Water and a 5.85% increase for Wastewater.

The 2023 Water and Wastewater fixed charge (\$/month) rates for the Town are \$4.38 and \$4.14, respectively. This represents a 15.25% increase for Water and a 17.75% increase for Wastewater.

The above rates encompass the proposed York Region increase of 3.3% for Water and Wastewater rates. 59.7% of the Town's Water and Wastewater budget relates to payments made to York Region.

Typical household (averaging 41 m³ per quarter) will see their quarter water and wastewater bill increase by 5.84%.

Council approved a Library Grant of \$2,636,690, which represents an increase of \$106,651 (4.22 percent) in operating expenditures for 2023.

Ontario Regulation 284/09 Budget Matters

Effective January 1, 2009, PSAB 3150, full accrual basis of accounting, required municipalities to record the costs of tangible capital assets and related amortization expense on their annual financial statements. It was recognized however, that since Section 209 of the Municipal Act requires preparation of balanced budgets, including all expenditures and revenue, a requirement to include amortization expense in the municipal budget would directly increase property taxes. As a result, the Province passed Ontario Regulation 284/09, which allows municipalities to exclude annual amortization expense, as well as post-employment liability and landfill closure expenses from their annual budgets. The regulation imposes reporting requirements to inform Council about the excluded expenses and an analysis of the estimated impact on future Tangible Capital Asset (TCA) funding requirements. For 2011 and subsequent budget years, and prior to adopting the annual budget, Ontario Regulation 284/09 requires municipalities to prepare a report for Council if all or a portion of the following expenses are excluded from the budget:

1. Amortization expenses
2. Post-employment benefit expenses

Similar to all other levels of government, the Town will continue to present the operating and capital budget on a non-PSAB basis as allowed under Provincial regulation. As such, this is to confirm that the above-referenced expenses were excluded from the 2023 Budget.

5. RELATIONSHIP TO STRATEGIC PLAN

During 2019, the Town approved a corporate strategic plan. The plan maps out 39 specific actions within four priority areas:

- Grow our economy
- Promote a high quality of life
- Engage our community and build partnerships
- Deliver exceptional service

The Town uses the strategic plan to ensure that departmental business plans and annual budgets are aligned with the priorities identified by Council for the community. Senior Leadership met collaboratively over several months to ensure that the 2023 Budget reflects the Corporate Strategic Plan approved by Council.

6. FINANCIAL AND BUDGETARY IMPACT

The 2023 Budget includes 4.89% increases in the property tax levy as it relates to the operating budget, there is an additional contribution of 2.0% to capital reserves, in-line with the Ten Year Capital Financial Plan recommendations, for a total increase of 6.89% (Town portion).

This translates into an increase of approximately \$163.88 per household for an average single-family detached dwelling assessed value of \$448,115 (average single-family detached dwelling, not on waterfront, end phase-in assessment amount for 2022) and approximately \$267.33 per household for an average house on waterfront, with an assessed value of \$731,000 (average single-family detached dwelling, on waterfront, end phase-in assessment amount for 2023).

Province-wide re-assessment completed in 2016 included a provision for phase-in of the assessment increase over four years, starting in 2017 and continuing until 2020 (last year of phase-in), while decreases in assessment were fully recognized and implemented in 2017. The 2020 taxation year represented the fourth year of new assessment changes/phase-in.

On March 26, 2020, the Government of Ontario announced that they were further postponing the planned property tax reassessment due to the COVID-19 Pandemic . This means that assessments for the 2021, 2022 and 2023 taxation years will continue to be based on the same valuation date that was in effect for the 2020 taxation year. This measure will not have a financial impact on the Town because MPAC is continuing to maintain the assessment roll and ensure that it is updated to reflect changes such as new construction. As well, it's important to note that when MPAC updates the Town wide assessments, it does not necessarily mean that property taxes will rise substantially. The Town only needs to raise an amount of money that was approved by Council during the Budget process. As Town wide assessments rise, the Town's tax rate will reduce proportionately and then the

average taxes a resident pays would not change substantially as a result of a Town wide reassessment.

The Town's taxation is one of three types of property taxes paid by the property owners. In addition to the local municipality, the taxes also consist of Regional and Education tax levies. The Regional and Education tax levies for 2023 are not currently known at this time. For more information on how assessment works, please visit AboutMyProperty.ca.

7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS

As per Council's direction, staff provided a number of opportunities to promote public engagement and receive taxpayers input into the 2023 budget process. These opportunities included:

1. Budget survey – 284 responses received (229 received in 2022)
2. Budget email address: Budget@Georgina.ca – 10 emails received

Please refer to the 2023 Draft Budget Report DCAO-2022-0016 for a detailed breakdown of the survey results and public comments.

8. CONCLUSION:

This report recommends that Council receive the report on the Summary of the 2023 Budget for the Town of Georgina.

Prepared by:

Recommended by:

Nina Avraham, CPA
Senior Financial Analyst

Dina Havkin, CPA, CMA
Manager of Financial Strategy
and Planning/ Deputy Treasurer

Recommended by:

Approved by:

Rob Wheeler, CPA, CA
Deputy Chief Administrative Officer/
Treasurer

Ryan Cronsberry
Chief Administrative Officer