

Town of Halton Hills 2023 Budget Directions

September 6, 2022

Council Meeting

Moya Leighton, Treasurer & Director of Finance

Budget - Directions

- Staff to follow guiding principles
- Staff to review tax rate increase target of 3.9%
 - sustainability
 - affordability

2023 Budget Approach

2023 Budget Guiding Principles



1. Restore appropriate funding for reserves to support long-term financial stability.



2. Maintain current service levels for program and staffing, leverage technology solutions to support efficiencies and productivity.



3. Align capital programs with available resources while ensuring compliance with legislation and health and safety standards.



4. Defer the growth-related capital program until development charges come in; (infrastructure servicing discussions with Halton Region ongoing).

2023 Budget Challenges

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- Commitments from 2022 budget
- Inflation costs (materials, labour, fuel and utilities etc.)
- Insurance premium increases
- Mounting legal expenses from complex files
- Low assessment growth
- IT security enhancements
- Minimum wage increase
- Capital funding – maintaining state of good repair

Tally Of Challenges To Date:

2023 Budget Drivers & Assumptions*

	\$	Budget Increase %
Insurance Costs	985,700	1.7%
Transit Servicing (Steeles Ave)	399,000	0.7%
IT Security	100,000	0.2%
Reserve Contributions (Infrastructure Gap)	356,000	0.6%
Salary Increases	1,479,800	2.5%
Inflationary increases (not included above)	303,200	0.5%
Assessment Growth	(394,000)	-0.7%
Debt Retirement	(224,100)	-0.4%
Misc Operating Impacts	174,100	0.3%
Bill 93 - Compliance	125,000	0.2%
Enhanced/new services	305,600	0.5%
	<u>3,610,300</u>	<u>6.1%</u>

* all costs above are estimates and are subject to change (August 2022)

Tax Rate Analysis:

Historic	3.9%
Challenge	6.1%
\$'s	\$1.3M

GTHA Comparison

Recent report from the Fraser Institute* shows:

- Town collected - least revenue per person (GTHA)

Municipality	Revenue per person
Milton	\$4,086
Caledon	\$4,371
Oakville	\$4,241
Burlington	\$3,428
Mississauga	\$3,600
Halton Hills	\$2,794

Town's historic results reflect:

- Responsibility
- Efficiency
- Accountability

This focus will continue –
facing challenges ahead

*Fraser Research Bulletin, Comparing per-Person Spending and Revenue in the Greater Toronto and Hamilton Area, (2009-2019) – Published August 2022

Interim Measures Implemented For 2023

- Continue to fund contract staff from reserves
- Implement a hiring freeze in 2023 – new positions
- Pause new services & increases to base budget – except if sustainable funding source
- Phase in capital program to smooth out operating budget impact
- Prioritize current backlog of capital projects

Other Measures To Consider:

- Tax increase beyond 3.9%
- Decreased program and service levels
- Increased user fees
- Funding from reserves (will impact Town's longer term finances)
- Combination of the above

Key Dates

- October 19 - SMT final review budget binder
- November 22 – Distribute Budget Binder to Council
- December 2022 – Ward Briefings
- January 2023 – Budget Committee

Questions?