

2023 Budget Committee Meeting

January 30th & 31st , 2023



2023 Budget

► **CAO Introduction**



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HALTON HILLS
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CAO's Overview – 2023

Considerations

Provincial Changes & Uncertainty

- Legislative changes impacting funding and resources
- Ontario Land Tribunal on Vision Georgetown
- Highway 413 frozen employment lands

The Economy

- Inflation driving up the cost of business
- Rising insurance rates
- Impacts on residents (higher cost of living)

Town Workforce

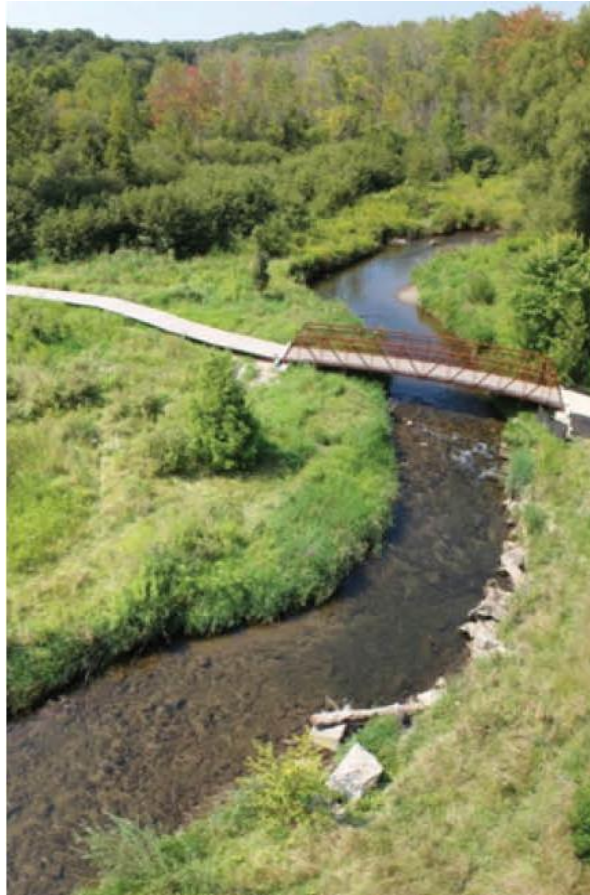
- Lean complement = little redundancy and staff stretched (particularly staff engaged in planning matters)
- Increased supports for staff
- Aging workforce
- Hybrid work positive (productivity upheld); staff survey results will inform on actions

Beyond the Budget

- Strategic planning process an opportunity to confirm current and/or consider other priorities, i.e.:
 - ❖ Provincial population targets
 - ❖ Climate change goals
 - ❖ Transit needs

2023 Budget

➤ **Treasurer Section**



Today's Order of Events

1. 2023 Operating and Capital Budget overview (Treasurer)
2. 2023 - Business plans by department
 - Department Head presents Business Plan
 - Treasurer walkthrough departmental operating impacts (slide remains on screen)
 - Questions - departmental operating budget
3. Review operating impacts of following (Treasurer):
 - Council department
 - Corporate revenues & expenses
 - Questions (General/including - overview/supplementary section)

Today's Order of Events Continued...

4. 2023 capital budget (refer to pages:61-63 of budget binder)
5. Overview of 2024-2032 capital forecast (for consideration in principle only – subject to change re: Bill 23) – (Treasurer)
6. Budget Committee to discuss staff recommendations
7. Recess – if required
8. Wrap up/final recommendations

Agenda – 2023 Budget Overview

1. Budget Overview

- Process & “Guiding Principles”
- Key challenges with focus on Insurance

2. Proposed 2023 tax levy

3. Levies raised for special purposes

4. FTE changes

5. Preparing for growth

6. Capital budget summary

7. Questions

2023 Budget Process

Mar –
June
2022

July

Jul - Sept

Sept - Oct

Dec

Jan
2023

Jan 2023

Feb 2023



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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

2023 Challenges

- Insurance costs (Both Liability and WSIB Self-Insurance)
- Low assessment growth
- Commitments carried forward from 2022
- Inflation
- Cybersecurity
- Statutory compliance
- Capital funding needs & capital budget challenges
- Fiscal sustainability of reserves, including need to strengthen the Tax Rate Stabilization reserve

Insurance Increases – Main Drivers

- Hardened global insurance market
- Weather-related catastrophic losses
- Insurers exiting “high risk” markets (some coverage no-longer available)
- Municipal liability coverages:
 - Claims inflation
 - Loss development (setting aside reserves for what-ifs)
 - Increased exposure (population growth increases risk ie: slip & falls)
 - Joint & several liability - In Ontario – even a 1% liability can result in a municipality paying 100% of damages
 - Increasingly litigious society

Insurance Increases

LIABILITY INSURANCE PREMIUMS

Year	Actual Premiums	Premium %'age Increases	Annual Budget*	Annual Budget Increase
2017	\$594,404		\$704,500	
2018	\$637,693	7.3%	\$691,700	(\$12,800)
2019	\$706,317	10.8%	\$706,000	\$14,300
2020	\$886,144	25.5%	\$748,400	\$42,400
2021	\$1,264,014	42.6%	\$1,035,200	\$286,800
2022	\$1,766,060	39.7%	\$1,653,200	\$618,000
2023**	\$2,089,020	18.3%	\$2,123,400	\$470,200

* Annual budgets: 2020, 2021 & 2022 lower than actual annual premiums

** Estimated premium

WSIB SELF-INSURANCE 5 YR PLAN

	Annual Budget	Reserve Balance	Annual Increase
2021	\$75,000	\$870,820	
2022 - Year 1	\$300,000	\$1,170,820	+\$225K
2023 - Year 2	\$350,000	\$1,520,820	+\$50K
2024 - Year 3	\$400,000	\$1,920,820	+\$50K
2025 - Year 4	\$400,000	\$2,320,820	\$0
2026 - Year 5	\$450,000	\$2,770,820	+\$50K

Budget Increase

Premiums	\$470,200
Adjust 2022 x1 funding	\$466,000
Adjuster Fees	\$101,500
WSIB provision	\$50,000
	<u>\$1,087,700</u>

Proposed funding – Increase Insurance Special Levy

Proposed Tax Levy - 2023

Town Portion



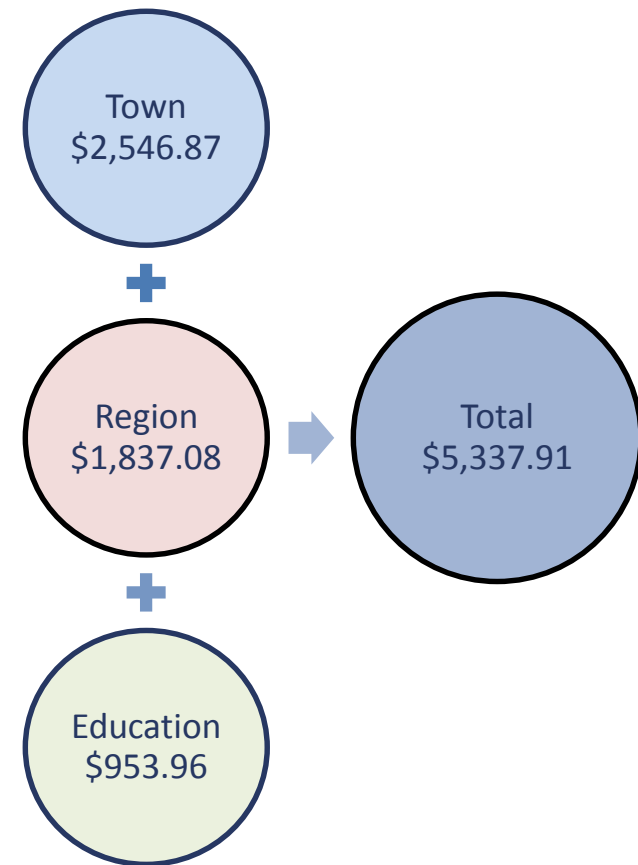
* Per \$100,000 of Residential Current Value Assessment

2023 Combined Tax Impacts

Tax impact on an average single-family home in Halton Hills

- Assessed value - \$623,500
(per most recent CVA – 2016)
- 2023 taxes - average single-family home:

$$\frac{623,500}{100,000} \times \$856.12 = \$5,337.91$$



Property Tax Impact – Combined

Property Tax Impact (per \$100,000 of CVA)						
	Share of Tax Bill	2022 Taxes	2023 Increase	2023 Taxes	\$ Impact on Tax Bill	% Impact on Tax Bill
Town	48%	\$380.35	7.40%	\$408.48	\$28.13	3.44%
Region	34%	\$284.95	3.40%	\$294.64	\$9.69	1.18%
Education	18%	\$153.00	0.00%	\$153.00	\$0.00	0.00%
Total	100%	\$818.30	4.62%	\$856.12	\$37.82	4.62%

Property Tax Impact (per \$623,500 of CVA)						
	Share of Tax Bill	2022 Taxes	2023 Increase	2023 Taxes	\$ Impact on Tax Bill	% Impact on Tax Bill
Town	48%	\$2,371	7.40%	\$2,547	\$175.39	3.44%
Region	34%	\$1,777	3.40%	\$1,837	\$60.41	1.18%
Education	18%	\$954	0.00%	\$954	\$0.00	0.00%
Total	100%	\$5,102	4.62%	\$5,338	\$235.79	4.62%

Average Assessed value of a single family home in Halton Hills \$623,500 (CVA 2016)

Proposed 2023 Tax Levy (Town)

	2022 Budget (\$)	2023 Total Budget (\$)	2023 vs. 2022 Budget Change	
Net Expenditures²				
Council	935,400	915,700	(19,700)	-2.1%
Office of the CAO	3,104,600	3,287,900	183,300	5.9%
Business, Environment & Culture	1,906,900	2,536,100	629,200	33.0%
Corporate Services	6,152,100	6,676,800	524,700	8.5%
Library Services	3,931,900	4,079,700	147,800	3.8%
Fire Services	9,538,855	9,890,155	351,300	3.7%
Transportation & Public Works	14,732,300	15,534,800	802,500	5.4%
Planning & Development	1,570,500	1,711,300	140,800	9.0%
Recreation and Parks	8,438,800	8,930,000	491,200	5.8%
Corporate Revenues & Expenses	8,602,945	10,184,945	1,582,000	18.4%
Total Net Expenditures	58,914,300	63,747,400	4,833,100	8.2%
Assessment Growth	-	-	443,000	-0.7%
General Levy ³	(49,108,900)	(52,499,300)	(3,390,400)	5.7%
Special Levies	(9,805,400)	(11,248,100)	(1,442,700)	2.4%
Total Taxation	(58,914,300)	(63,747,400)	(4,833,100)	8.1%
Net Town Tax Impact (Net of Assessment Growth)	(58,914,300)	(63,747,400)	(4,390,100)	7.40%

4.97% Base Levy



**1.83%
Addition -
Insurance Levy**



**0.6%
Addition
Infrastructure
Levy**

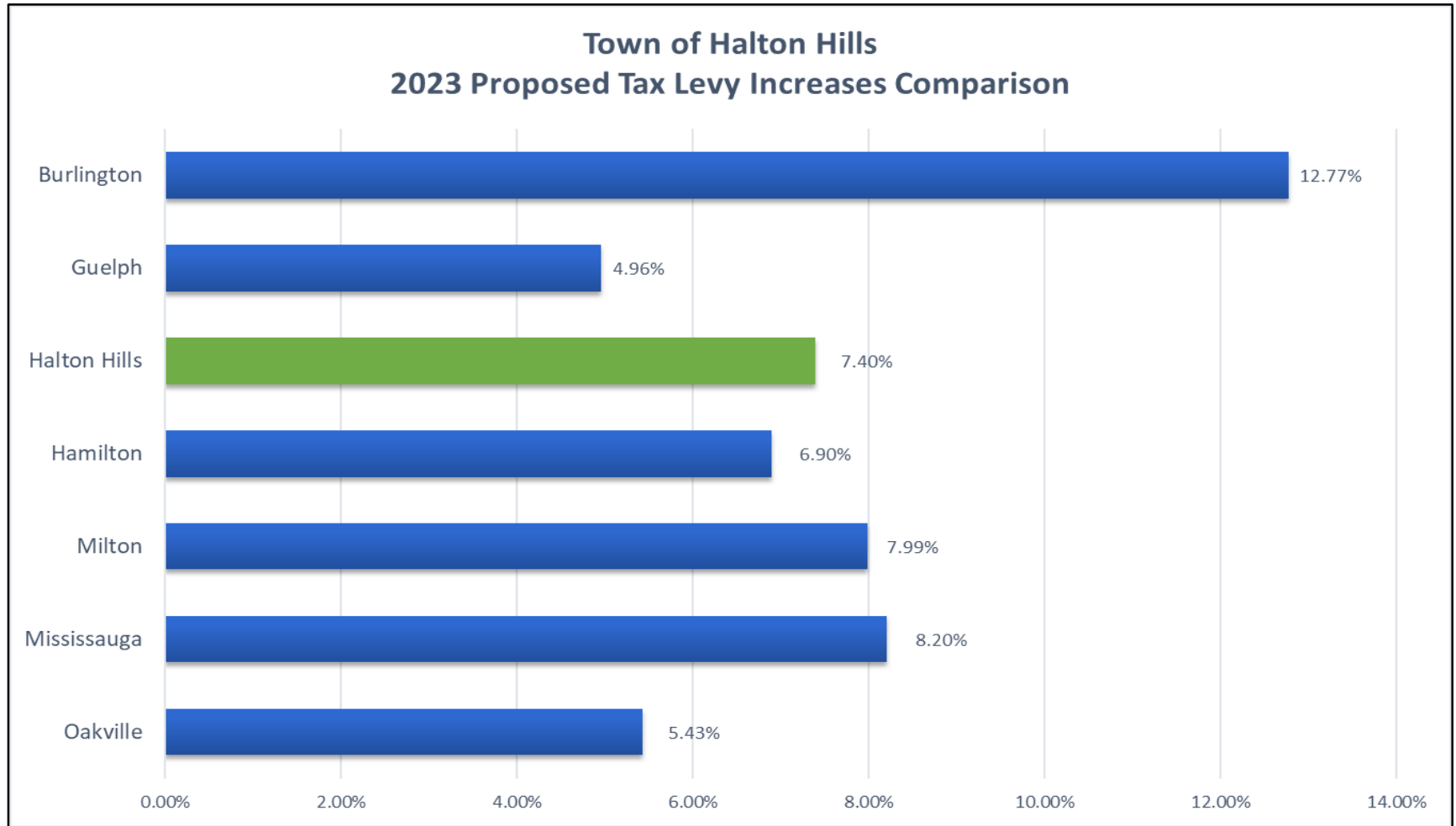


7.4%

\$28.13

3.44%

Tax Rate Increases - Comparisons



CVA vs Market Value

Current Value Assessment (CVA)

The amount of money a property would be sold for in the open market by a willing seller and a willing buyer, as of a point in time

Current point in time is – January 1, 2016

Market Value

The amount a purchaser is willing to pay and what a seller will accept in the current market today

Municipal Property Assessment Corporation (MPAC)

Assess value of each property & provide updates to municipalities

Assessed Value vs Market Value

Residential Properties					Annual Tax Levy	Total Assessed Value	Average Value	Tax Levy Remains Constant
	#1	#2	#3	#4				
Current Assessed Value 2016	\$750,000	\$490,000	\$800,000	\$454,000		\$2,494,000	\$623,500	
Share of Annual Levy	30%	20%	32%	18%	100%			
Annual Tax Levy	\$6,014	\$3,929	\$6,415	\$3,641	\$20,000			
Reassessment Market Value 2023*	\$1,087,500	\$710,500	\$1,160,000	\$658,300		\$3,616,300	\$1,446,520	
Share of Annual Levy	30%	20%	32%	18%	100%			
Annual Tax Levy	\$6,014	\$3,929	\$6,415	\$3,641	\$20,000			
Reassessment Market Value 2023**	\$600,000	\$800,000	\$2,000,000	\$700,000		\$4,100,000	\$1,640,000	
Share of Annual Levy	15%	20%	49%	17%	100%			
Annual Tax Levy	\$2,927	\$3,902	\$9,756	\$3,415	\$20,000			
* Assumes market values have all increased proportionately by 45%								
** Assumes a variety of market value reassessments								

Levies Raised For Special Purposes

Special Levies

The Town has historically introduced Special Levies to “fund” costs related to:

- Services downloaded from upper levels of government
- Financing (Principal & Interest) of large construction projects
- Ensuring Town assets are maintained in a state of good repair
- Maintaining financial sustainability during an extended period of low tax assessment increases
- The provision of grant funding to support our local hospital
- The introduction of new service levels

Staff will review all special levies in 2023 to determine feasibility of conversion to base budget levy – a net \$0 impact for 2024

Levies for Special Purposes

- Increase existing Insurance Special Levy: - \$1,087,700 / 1.83% Increase
- Increase existing Infrastructure Gap Levy: \$355,000 / 0.6% Increase

Levy	Approved 2022 Budget (\$)	Increase (Decrease)	% of Adj. Net Levy	Preliminary 2023 Budget (\$)
General Levy	49,108,900	2,947,400	4.97%	52,056,300
Special Levy - Fire Services	2,451,200	-		2,451,200
Special Levy - Pavement Management	1,884,000	-		1,884,000
Special Levy - Infrastructure	2,084,000	-		2,084,000
Special Levy - Fair Workplaces, Better Jobs Act 2017	153,500	-		153,500
Special Levy - Infrastructure Gap	1,256,000	355,000	0.60%	1,611,000
Special Levy - Financial Sustainability	1,599,700	-		1,599,700
Special Levy - Insurance	377,000	1,087,700	1.83%	1,464,700
Net Levy	58,914,300	4,390,100	7.40%	63,304,400
Assessment Growth	443,000	443,000		443,000
Adjusted Net Levy for Assessment Growth	59,357,300	4,833,100		63,747,400

FTE Changes in 2023



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2023 FTEs

Summary of Staff Requests

Legislative Compliance

Full Time	Fire Prevention Inspector	1.0	New
Part Time	Professional Instructor & Inclusion Facilitator	2.7	Increased Hours
		3.7	

Transportation

Part Time	ASE Application Analyst	0.4	New
Part Time	ActiVan drivers (existing svc to OTMH)	0.9	Increased Hours
Part Time	ActiVan drivers (expanded svc to OTMH)	0.3	Increased Hours
Contract	Traffic Analyst	0.2	Increased Hours
Temporary	Traffic Coordinator (ASE)	1.0	New
		2.8	

Service Delivery

Contract	Asset Management Business Analyst	0.5	Extend Contract
Contract	Help Desk Technician	1.0	Extend Contract
Contract	Financial Coordinator	1.0	New
		2.5	

Service Delivery

Part Time	Economic Development Student	0.2	Increased Hours
Part Time	Heritage Property Grant Program	0.1	Increased Hours
		0.3	

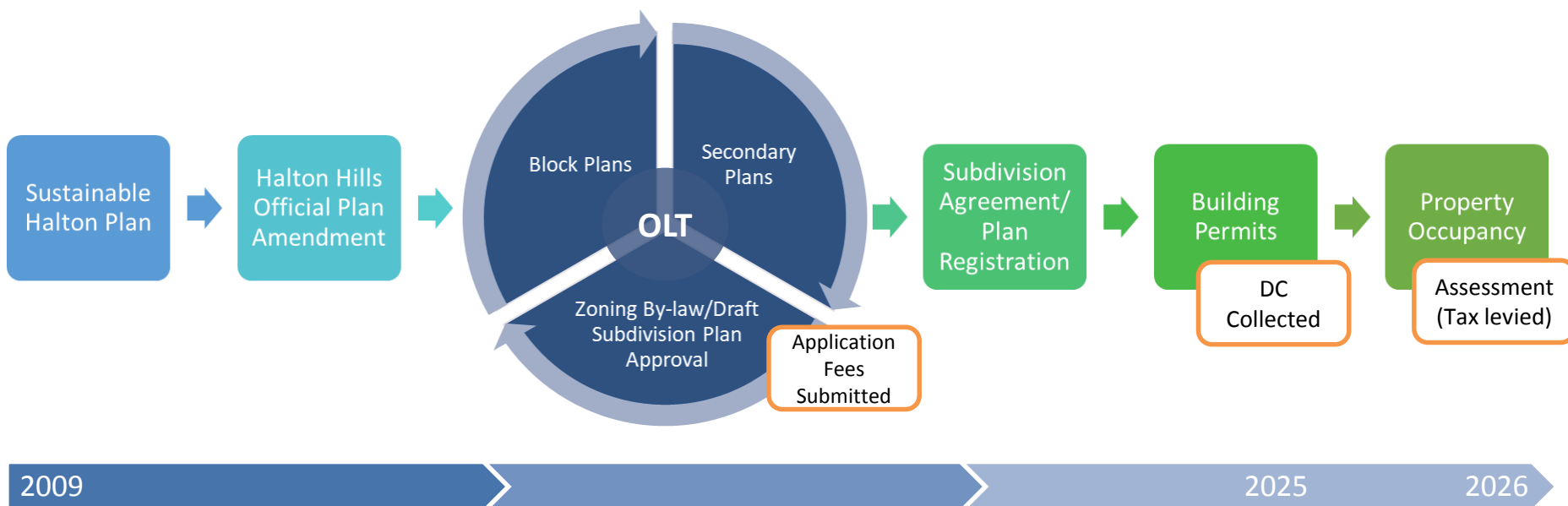
Total

9.3



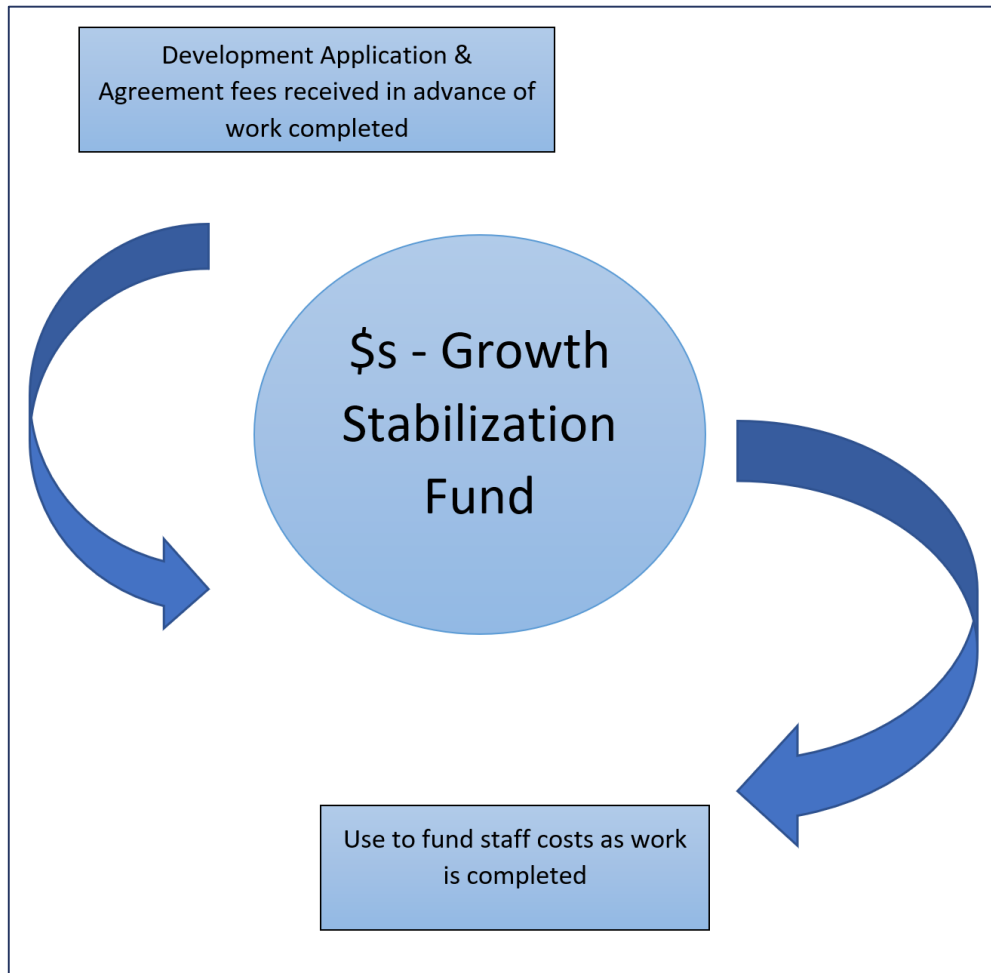
Preparing For Growth

Timeline – Planning for Growth to Receipt of Property Taxes



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Growth Stabilization Fund



Growth Positions Funded From Growth Stabilization Fund

1. Senior Planner , Development Review
2. Engineering Development Coordinator
3. Geomatics Data Analyst
4. Financial Analyst
5. Legal Assistant (Contract) – extend 2023 \$77,500

Total 2023: \$553,300

Fund Balance Jan 1 2023: \$3.2M

Capital Budget

2023 - Capital Budget

Funding Source	\$'000s
General & Special Levies	\$2,204
Development Charges	\$4,087
Capital Reserves	\$12,188
Debentures	\$0
Other	\$5,452
TOTAL	\$23,931

Top 5 Capital Projects	\$'000s
Tenth Line Resurfacing (10 th Side Rd. to Steeles)	\$3,590
Collector/Arterial Rd asphalt resurfacing	\$2,513
Engineering – Main St Glen Williams	\$2,051
Pavement Management Program	\$1,956
Replace Ladder Unit 750 (A3) (Fire)	\$1,800