



Subject: 2022 Budget Process

Report Number: FIN 21-23

Department: Finance

Submitted by: Sheena Pawliwec, CPA, CGA, Director of Finance/Treasurer

Meeting Type: Council Meeting

Meeting Date: Monday, July 12, 2021

RECOMMENDATION

THAT Council receives report FIN 21-23 2022 Budget Process;

AND THAT the following dates are scheduled for Council Budget Meetings:

| | |
|-----------------------------|---------------|
| Monday, November 29, 2021 | 4:00pm-9:00pm |
| Monday, December 6, 2021 | 9:00am-3:00pm |
| Thursday, December 16, 2021 | 4:00pm-9:00pm |
| Monday, January 17, 2022 | 6:00pm-9:00pm |

BACKGROUND

Municipalities are required to prepare and adopt a budget on an annual basis, as per the *Municipal Act, 2001*, section 290. The budget process report provides Council and the public with the processes and timelines necessary to meet legislative requirements and achieve the strategic objectives of the organization. The intent is to define a process for Council to follow that is understandable for all parties and aims for Council to approve the 2022 budget in January of 2022. Similar in procedure to the previous budget year, the Capital and Operating budgets are proposed to be presented together for review by Council.

DISCUSSION

The Town's budget process focuses on developing and providing recommendations that achieve the expectations of Council and the Community. Throughout the process Council will provide direction for removing or adding projects, deferring projects to a future year or to reduce amounts assigned to various budgeted matters. Staff will keep a running list of additions and changes for review throughout the budget process which will include matters for further discussion and requests for additional information.

An initial pre-budget discussion will be introduced via staff report at the second regularly scheduled Council meeting in September. This early discussion will afford Council the opportunity to provide any specific objectives, service level changes, capital project requests, and/or targeted tax levy percentage impact.

Budget binders containing staff recommended operating and capital budget details will be distributed on Thursday, November 11; eighteen days prior to the commencement of the first special budget meeting scheduled for November 29th. Subsequent to the distribution of the budget binder, Councillors are encouraged to advance questions to staff relating to any necessary clarifications. This will ensure that questions are fully understood and quality responses may be prepared for Council's consideration and discussion at the November 29th meeting.

The following table provides an overview of the tentatively scheduled meeting dates pertaining to the 2022 Budget. Council Budget Approval is anticipated to occur on January 10, 2022.

| <u>Meeting Date</u> | <u>Meeting Description</u> |
|--|---|
| Monday, Sept 27, 2021 Regular Council Meeting | <ul style="list-style-type: none"> • Budget survey results to Council • Pre-budget report(s) provided, if applicable, providing Council an opportunity for discussion and direction regarding: <ul style="list-style-type: none"> ▪ Specific objectives ▪ % range to tax levy ▪ Service level changes ▪ Capital requests |
| Thursday, Nov 11, 2021 | 2022 Budget Binders Distributed to Council |
| Monday, Nov 29, 2021 Special Council Meeting (4pm-9pm) | Operating & Capital Budget Package (i.e. Business Plans) Review with Council |
| Monday, Dec 6, 2021 Special Council Meeting (9am-3pm) | <ul style="list-style-type: none"> • Pre-budget approval(s) staff report, if applicable. • Motions & resolutions by Council, if applicable. • Questions by Council regarding budget information presented at the Nov 29 meeting and/or contained in the budget binders. |
| Monday, Dec 13, 2021 Regular Council meeting | 2022 Rates & Fees to Council for review and approval. |

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|--|---|
| Thursday, Dec 16, 2021 Special Council Meeting (4pm-9pm) | <ul style="list-style-type: none"> • OPP Funding presentation, if applicable. • Staff reports from Nov 29 & Dec 6 meeting resolutions, if applicable. • Motions/resolutions for final budget adjustment, if applicable. • Resolution to bring forward Final Budget and Business Plans for Council approval at the next regularly scheduled meeting. |
| Monday, Jan 10, 2022 Regular Council Meeting | Final Operating & Capital Budgets and Departmental Business Plans approved |
| Monday, Jan 17, 2021 Special Council Meeting (6pm-9pm) | External Group Grant Requests (allocation of 2022 Budgeted Funds) |

The Capital Budget

The Town continues to experience significant development which requires considerable investment in new assets to serve the growing population. In addition, the Town's existing infrastructure is aging to the point where substantial investment is required to maintain the current assets (repair and replacement). Given the limited financial resources available, it is critical for the Town to maximize its use of existing financial resources by investing in capital projects that provide the greatest benefit to the Community and ensure we are managing our assets in a sustainable manner.

Corporate-wide prioritization of capital projects requires management to think beyond their individual areas of responsibility by weighing the needs of all lines of service in a consistent and unbiased manner. A number of new projects will be selected for 2022 in addition to any projects not finalized in 2021. Each new 2022 Capital request will be evaluated and prioritized by the Senior Leadership Team, thus ensuring limited resources are allocated effectively.

The Asset Management Reserve which is usually funded from the phase-in amount of the MPAC assessment did not see any increase in 2021 due to the assessment delay resulting from the pandemic. Usually this is incorporated with other funding sources available such as grants, reserves, taxation, and debt in order to fund the proposed projects, however in 2022 these other funding sources will be relied upon to a greater degree.

The Operating Budget

Operating budget funding is derived primarily from taxation and user fees revenue. Annual operating requirements are reviewed by managers and directors regarding activities necessary to operate the Town. The Operating budget process will determine

the amounts needed to be raised from taxation and corresponding change to the tax levy rate.

Budget Survey

The 2022 proposed budget process again includes an external public survey in which residents have been invited to provide input on the Town budget via a link on our website. Meaningful and effective public engagement improves the quality of decisions made, facilitates citizen understanding of issues and government processes, fosters respect for the views of others, and increases support, understanding and ownership of decisions made.

The Town's survey is live from June 15 through August 31. The County is also running a budget survey in conjunction with the lower tiers through August 31. All survey results will be shared via staff report at the regularly scheduled Council meeting on September 27.

FINANCIAL IMPACT

There are no financial impacts associated with the approval of the 2022 Budget Schedule.

COMMUNITY STRATEGIC PLAN (CSP) LINKAGE

1. Excellence in Local Government
 - ☒ Demonstrate strong leadership in Town initiatives
 - ☒ Streamline communication and effectively collaborate within local government
 - ☒ Demonstrate accountability
2. Economic Sustainability
 - ☐ Support new and existing businesses and provide a variety of employment opportunities
 - ☐ Provide diverse retail services in the downtown core
 - ☐ Provide appropriate education and training opportunities in line with Tillsonburg's economy
3. Demographic Balance
 - ☐ Make Tillsonburg an attractive place to live for youth and young professionals
 - ☐ Provide opportunities for families to thrive
 - ☐ Support the aging population and an active senior citizenship
4. Culture and Community
 - ☐ Promote Tillsonburg as a unique and welcoming community

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- ☐ Provide a variety of leisure and cultural opportunities to suit all interests
- ☐ Improve mobility and promote environmentally sustainable living

ATTACHMENTS

None.