

Taxation and General Revenues 2022-2023 Business Plan and Budget

ISSUE

City Council approval is required in order to set the Operating and Capital Business Plan and Budget for 2022 and 2023. The figures in this report are stated as 2022 and 2023 respectively, unless otherwise noted.

RECOMMENDATION

1. That the Taxation and General Revenues Business Line Operating Budget for 2022 totalling \$5,214,300 in expenditures and \$470,444,400 in revenues be approved, subject to adjustments under the Property Levy Service Line required to balance the 2022 budget from decisions impacting the levy; and
2. That the Taxation and General Revenues Business Line Operating Plan for 2023 totalling \$5,847,600 in expenditures and \$482,605,600 in revenues be approved, subject to adjustments under the Property Levy Service Line required to balance the 2023 budget from decisions impacting the levy.

BACKGROUND

The 2022-2023 Preliminary Business Plan and Budget (Preliminary Budget) was released on November 24, 2021.

DISCUSSION/ANALYSIS

Taxation and General Revenues Operating Budget

The Preliminary Budget includes a total of \$5,214,300 and \$5,847,600 in expenditures for the Taxation and General Revenues Business Line. A decrease of \$290,400 (-5.3%), and an increase of \$633,300 (12.1%) are projected, mainly due to:

- A transfer of \$650,000 from reserves in 2022 is planned to offset the decreased interest revenue which will result in a credit to expenditures. This amount is reversed in 2023; and
- \$289,400 and \$33,500 increase in relation to the estimated property tax increase relating to the River Landing taxation levies being recovered in/transferred to River Landing.

This business line also includes a total of \$470,444,400 and \$482,605,600 in revenue sources, which includes \$278,587,300 and \$290,807,000 in property taxation required to balance the Preliminary Budget. The property tax requirement would change if there are adjustments made to the budget.

After the production of the Preliminary Budget document, Assessment Growth revenue has been refined further to \$3,874,500 for 2022. This change resulted in revised proposed property tax increases of 3.51% and 3.14% for 2022 and 2023 respectively.

Overall, the revenue within this business line is a \$7,597,500 (1.6%) and \$12,161,200 (2.6%) increase over the prior years. These increases are largely a result of:

- a projected \$3,874,500 and \$3,451,000 in property tax assessment growth;
- a proposed 3.51% and 3.14% property tax increase, which would increase property tax revenues by \$9,359,100 and \$8,777,700;
- \$3,122,700 decrease and \$981,100 increase in Municipal Revenue Sharing as a result of projected Provincial Sales Tax revenues;
- \$673,800 and \$648,700 increase in Grants-in-Lieu of Taxes based on projected utility rates and volumes; and
- \$1,070,600 and \$1,038,000 increase in fines and penalties for revenues previously reduced due to COVID-19 pandemic losses.

FINANCIAL IMPLICATIONS

The financial implications are included in this report.

OTHER IMPLICATIONS

There are no privacy, legal, social, or environmental implications identified.

NEXT STEPS

Upon approval of the Preliminary Budget, the Administration will finalize the Approved Business Plan and Budget to be released in 2022.

REPORT APPROVAL

Written by: Jeremy Meinema, Senior Financial Business Partner
Reviewed by: Kari Smith, Director of Finance
Approved by: Clae Hack, Chief Financial Officer