

TO: Mayor Caul & Members of Council

FROM: Treasurer

DATE: January 21, 2022

SUBJECT: 2022 Administration and Finance Budget Considerations

BACKGROUND

Attached you will find draft budget documents for the 2022 Budget for the following areas:

- Corporate
- Administration and Finance
- Emergency Services (Fire, COVID-19 and Police Services)

Corporate Budget

In the draft Corporate budget, the 2022 CVA and Notional rates are the starting point for the 2022 tax levy until such time as there are firm figures for the entire Town Budget so we can determine tax rates. Further, the school board payments are consistent with the 2021 amounts as education taxes are levied and remitted to the school boards and the rates have not been announced yet. We have the 2022 Ontario Municipal Partnership Funding which is an increase of \$133,300.

The contributions to the various reserve funds have increased by 1.4% of the 2021 taxes which is equal to \$159,900, based on the outcomes from the Asset Management Plan. The Rainy River District Social Services Administration Board Levy has estimated an increase of \$38,562. The Northwestern Health Unit levy has seen an increase of \$4,038.

Various other large increases to the 2022 Corporate budget include:

- \$55,000 in Integrity Commissioner costs
- \$19,000 in Legal
- \$10,000 in Fireworks (this was eliminated in 2021 due to COVID)
- \$43,600 for Election costs

The long-term debt section of the budget has a decrease of \$43,080, assuming no additional debt is incurred for capital projects in 2022.

The overall Corporate budget variance shows an increase of \$61,331.

Administration and Finance Budget

The Human Resources budget is increased by \$11,060. Part of which is the Corporate MindBeacon membership, as well as training and development, negotiation costs and recruitment costs.

Administration expenses have a projected increase of \$62,633 from 2021 to 2022. Most of the increase stems from salaries and legal.

The Clerk's department is also showing an increase of \$17,663, most of which is due to changes in staffing.

The Treasury department shows an increase of \$42,596. Some of this is due to grid changes for newer employees, software annual costs as well as an increase to audit costs.

Overall, we are budgeting a decrease in revenue of \$22,700 for the Administration and Finance division.

The Administration and Finance budget variance, not including the IT department from 2021 to 2022 is an increase of \$156,746.

COVID-19 Emergency and Police Services Budget

The COVID-19 section of the budget was new for 2021. I have estimated that we could use \$424,000 of the COVID- 19 Restart Grant in 2022, rather than use it in 2021. This amount will significantly assist with the estimated lost revenues at the Memorial Sports Centre as well as other lingering impacts of the COVID-19 pandemic. The costs to continue with enhanced sanitization and cleaning at the facilities is estimated at \$69,788 in salaries and benefits. The additional costs for COVID-19 are estimated at \$15,000.

The draft Police Services Board budget shows a decrease of \$34,943. Police Services administration presents a Court Security grant with a reduction of \$18,392. The grant is equal to a portion of the Court Security costs in the OPP Grant, although this funding has not been confirmed. We have been advised of a decrease to OPP Contracted costs of \$51,923 for 2022.

The overall COVID-19 Emergency and Police Services budget variance from 2021 to 2022 is a decrease of \$70,045.

Please note:

There are increases to insurance across all budget areas in the total amount of \$74,094, or a 26% increase over 2021's budget.

Also, the 2021 Actuals are changing daily as we go through our year end process. Please realize it will take some time before these values become finalized.