



**FORTFRANCES**  
BOUNDLESS

## **2022 OPERATING BUDGET**

# **ADMINISTRATIVE REPORT**

Date: 2022-03-07  
From: Dawn Galusha, Treasurer  
To: Committee of the Whole  
File Number: 2022-AF-10

## ISSUE

Setting a budget for the Town of Fort Frances which is the estimate of revenues and expenses for the 2022 fiscal year, while determining the appropriate tax rates for all classes of properties and considering if 2022 is the optimal time to reduce the Large Industrial ratio.

## ADMINISTRATIVE RECOMMENDATION

Administration recommends:

THAT Council of the Town of Fort Frances approve the Operating Budget increase of \$318,840 for 2022; and

FURTHER THAT the Municipal tax rate increase is 3.49%, which includes a reduction of the Large Industrial Tax ratio by one-half of the difference between the 2021 ratio and the Industrial ratio; therefore reducing it to 4.663262.

## STRATEGIC IMPACT

The Strategic Impacts were presented on my last report dated February 22, 2022.

## OPTIONS & ALTERNATIVES

- (1) That Council approve the Operating Budget increase of \$318,840 with the change to the Large Industrial Ratio to be equal to the Industrial Ratio in 2 years
- (2) That Council detail further changes to the Budget that they wish to see Administration bring forward.

## HISTORY

Pursuant to the ***Municipal Act, 2001***, Section 290, for each year, a local municipality shall, in the year or the immediately preceding year, prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality, including,

- a) Amounts sufficient to pay all debts of the municipality falling due within the year;
- b) Amounts required to be raised for sinking funds or retirement funds; and
- c) Amounts required for any board, commission or other body.

At the last Special Committee of the Whole-Budget meeting, Council advised that they wanted Administration to cut \$100,000 from that Budget and to proceed with Option 2, which reduces the Large Industrial ratio over 2 years to be equivalent to the Industrial ratio.

## ANALYSIS

Administration has been working on operating projections for the 2022 year. Administration had reviewed the budget line by line in advance of sending the information to Council, and as such we feel we are providing an accurate budget forecast for 2022. These projections were presented to the Executive Committees during the week of February 7 and discussed at the Special Committee of the Whole-Budget meeting on February 22. The changes to that budget are attached to this agenda.

The Preliminary Water and Sewer balanced budgets were incorporated in the budget document package, but they do not have a direct impact on the General Operating budget. The Water & Sewer Budgets are stand-alone utilities supported by Water & Sewer rates, which are a cost of living, but do not directly affect taxation rates.

The Current 2022 General Operating Budget presented, indicates a deficit of \$318,840.

Division	2021	2022	Increase/ Decrease	Amount
<b>Corporate Services</b>	(10,574,903)	(10,518,072)	Increase	54,831
<b>Administration &amp; Finance</b>	1,278,045	1,423,071	Increase	145,026
<b>Emergency Services (includes COVID-19)</b>	3,301,734	3,281,094	Decrease	(20,640)
<b>Community Services</b>	2,336,300	2,394,046	Increase	57,746
<b>Operations &amp; Facilities</b>	3,379,827	3,484,922	Increase	105,095
<b>Planning &amp; Development</b>	278,997	255,779	Decrease	(23,218)
<b>Total Budget Increase</b>				<b>318,840</b>

In considering the impact of the 2022 budget on the tax rates for ratepayers in the Town of Fort Frances, please consider the following:

- 1.4% of the increase is a reserve transfer due to the results of the AMP
- The remaining tax rate increase for 2022 is 2.09%
- CPI for 2021 was 5.2%

There was a public request that was missed and is attached here now. It is from Safe Communities Rainy River District requesting the Town's generous support of a 0.25 cent per capita levy. In 2020, the levy to this group was cut from the budget as there are so many community groups doing the same or similar service and Council decided to discontinue funding it. I have left this out of the budget for that reason.

## CONSULTATION

The following groups have been consulted and have had major input into the Operating Budget:

- Senior Managers
- Middle Managers
- Executive Committees

## SUPPORTING DOCUMENTS

- (1) Safe Communities Support Request
- (2) 2022 Draft Budget Changes
- (3) Tax Rates using Alternative Ratios where the Large Industrial Ratio is reduced
- (4) Tax Analysis of Above Scenario