



TOWN OF FORT FRANCES

AGENDA - March 7, 2022

SPECIAL MEETING - COMMITTEE OF THE WHOLE MEETING

Committee Room, Civic Centre

Microsoft Teams meeting

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[+1 807-701-5975,,539274706#](#) Canada, Thunder Bay

Phone Conference ID: 539 274 706#

Page

1. COMMITTEE OF THE WHOLE

(Session No. # 094) 5:30 p.m.

1.1 Call to Order

1.2 Disclosure of pecuniary interest and the general nature thereof.

2. 2022 Operating Budget

2.1 2022 Draft Operating Budget - Treasurer Report

2 - 9

3. Adjournment



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

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



c/o 1426 Sunset Drive
Fort Frances, ON
P9A 2T8

December 8, 2021

Town of Fort Frances
c/o Gabrielle Lecuyer

27 years ago many of our local community organizations joined together to form The Rainy River Safety Coalition, now known as "Safe Communities". It is with this presence that we are recognized by the World Health Organization as a designated safe community.

Covid has slowed us down, however the good news is that quarterly partner meetings have resumed and plans for an annual 2022 AGM are underway, during which, specific targets will be developed based on stakeholders input.

New projects and programs are offered each year. Support initiatives include: OPP positive ticket campaign, NWHU car seat inspection program, Alcohol and risk-related trauma prevention programs for youth, high school Chem-free grad and First Responder training, as well as Road and Rail safety projects, anti bullying buddy benches, phone charger safety advertising, School bus safety, winter warmth emergency toques and life jacket safety use and promotion, to list a few!

Guest speakers are invited to our partners meetings to help us better understand and appreciate issues to include: cultural barriers, substance abuse, mental health and dementia, as examples.

Our district municipalities have generously supported this via a .25-cent per capita levy.

For the past two years we have not received this support and would kindly ask that you consider placing it in your upcoming budget.

Safety Promotion is not only the right thing to do, but prevents suffering and expense that would otherwise occur. We have a history of safety enlightenment which we wish to carry forward, with your help!

Yours in Safety,

A handwritten signature in black ink, appearing to be "C Buist".

Chad Buist, co-chair

cbuist@rrdssab.on.ca

Operating Budget - March 7, 2022

Deficit as presented on February 22, 2022

427,969

Adjustments to Budget after February 22, 2022

Corporate Services

| | | | |
|------------------------|---------------------------------------|---------|---------|
| 10-020-0240-1500-71591 | Council- Advertising & Public Notices | (1,000) | (1,000) |
|------------------------|---------------------------------------|---------|---------|

Administration & Finance

| | | | |
|------------------------|---|----------|----------|
| 10-020-0262-1101-600XX | Deferral of a portion of staffing changes until October 1, 2022 | (45,688) | |
| 10-020-0262-1200-71253 | Administration Legal | (5,000) | |
| 10-020-0262-1500-71523 | Administration Contracted Works (Photocopying) | (2,500) | |
| 10-020-0264-1400-71410 | Clerks- Office Supplies | (2,000) | |
| 10-020-0268-1200-71251 | IT Communications | (1,500) | |
| 10-020-0268-1500-71503 | IT Software Licensing | (1,000) | |
| 10-020-0252-1500-71597 | HR Recruitment of Staff | (1,500) | |
| 10-020-0252-1200-71261 | HR Subscriptions | (2,400) | |
| | | | (61,588) |

Community Services

| | | | |
|------------------------|-----------------------------|----------|----------|
| 10-160-1645-1240-71557 | Museum Building Maintenance | (4,500) | |
| 10-160-1645-1240-71523 | Museum Contracted Services | (3,500) | |
| 10-160-1645-1500-71591 | Museum Advertising | (2,000) | |
| 10-160-1640-1240-71420 | Library Hydro | (5,100) | |
| 10-160-1640-1240-71416 | Library Natural Gas | (3,000) | |
| 10-160-1640-1101-600XX | Library Salaries & Benefits | (13,000) | |
| | | | (31,100) |

Operations & Facilities

| | | | |
|------------------------|--|----------|----------|
| Various | License Plate Reduction for Light duty commercial vehicles | (3,480) | |
| 10-060-0623-1500-71534 | Traffic Signals | (118) | |
| 10-060-0650-1500-71534 | Street Lights | (10,843) | |
| 10-060-0661-1500-71545 | Airport Building Repairs and Maintenance | (1,000) | |
| | | | (15,441) |

Total Adjustments

(109,129)

Deficit as presented on March 7, 2022

318,840

2022 Tax Rates Summary

Increase of \$318,840 to 2022 Taxes- Reducing the Large Industrial Tax Ratio to be equal to the Industrial Ratio in 2 years

Using OPTA calculated rates on March 2, 2022 4:14PM EST.

Active parameter set: Current Parameters (Unsaved)

Assessment Data Filter Option Used: Decrease Limit: 100% Increase Limit: 100%, Include PIL Properties, Tax Ratios Used: 2022 Alternative Tax Ratios

| | Residential | New Multi-residential | Multi-residential | Commercial | | | Industrial | Large Industri | Pipelines | Farm |
|----------------------------------|-------------|-----------------------|-------------------|------------|------------|------------|------------|----------------|------------|------------|
| | | | | No Band | Low Band | High Band | | | | |
| Tax Ratios | 1.000000 | 1.000000 | 2.250615 | 1.943520 | | | 2.616491 | 4.663262 | 2.543254 | 0.250000 |
| Education- Retained New Con. | | | | 0.00980000 | 0.00980000 | 0.01633333 | 0.00980000 | 0.00980000 | | |
| Education- Retained | | | | 0.00980000 | 0.00980000 | 0.01633333 | 0.00980000 | 0.00980000 | 0.00980000 | |
| Education- New Construction | | | | 0.00880000 | 0.00848436 | 0.01414061 | 0.00880000 | 0.00880000 | | |
| Fort Frances Town, 5912 | | | | | | | | | | |
| Education | 0.00153000 | 0.00153000 | 0.00153000 | 0.00880000 | 0.00848436 | 0.01414061 | 0.00880000 | 0.00880000 | 0.00880000 | 0.00038250 |
| General | 0.01799010 | 0.01799010 | 0.04048879 | 0.03496412 | 0.03389851 | 0.05649752 | 0.04707093 | 0.08389255 | 0.04575339 | 0.00449753 |
| Budget Increase | 0.00051729 | 0.00051729 | 0.00000000 | 0.00100536 | 0.00097472 | 0.00162453 | 0.00067674 | 0.00120613 | 0.00131560 | 0.00012932 |
| Municipal Tax | 0.01850739 | 0.01850739 | 0.04048879 | 0.03596948 | 0.03487323 | 0.05812205 | 0.04774767 | 0.08509868 | 0.04706899 | 0.00462685 |
| | | | | | | | | | | |
| 2021 Municipal Tax Rate | 0.01788408 | 0.01788408 | 0.0402502 | 0.03475807 | 0.03366352 | 0.05610587 | 0.04679353 | 0.12000277 | 0.04548376 | 0.00447102 |
| | | | | | | | | | | |
| % Increase to Municipal Tax Rate | 3.49% | 3.49% | 0.59% | 3.49% | 3.59% | 3.59% | 2.04% | -29.09% | 3.49% | 3.49% |
| | | | | | | | | | | |
| % Increase to Total Tax Rate | 3.21% | 3.21% | 0.57% | 2.78% | 2.87% | 2.87% | 1.72% | -27.10% | 2.92% | 3.21% |

There is a slight increase to the General rate from the 2021 Municipal Tax rate based on changes in assessment year over year as well as the change to the Large Industrial Ratio.

TAXATION ANALYSIS- \$318,840 increase over 2021- Alternative Ratios are used as we are adjusting the Large Industrial Ratio to be equal to the Industrial Ratio in 2 years

| Column | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |
|------------------------|---------------------------------|----------------------------|-------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|----------|-------------------|-----------|-------------------|-----------|-------------------|-----------|-------------------|-------------|-------------------|-------------------------------|----------------|--|--------------|
| Tax Class | Total Dollar Increase per Class | # of Properties Increasing | 0-100 | Average \$ Change | 100-200 | Average \$ Change | 200-300 | Average \$ Change | 300-500 | Average \$ Change | 500-700 | Average \$ Change | 700-1000 | Average \$ Change | 1000-1500 | Average \$ Change | 1500-2000 | Average \$ Change | 2000-3000 | Average \$ Change | 3000 & Over | Average \$ Change | # of Properties with Decrease | Average Change | Median/ Typical Property \$ Tax Change | % Tax Change |
| Residential | 273,188 | 3,078 | 2,044 | \$61 | 946 | \$134 | 78 | \$236 | 7 | \$333 | 2 | \$582 | | | 1 | \$1,285 | | | | | | | | \$89 | \$72.92 | 3.21% |
| Farm | 34 | 3 | 3 | \$11 | | | | | | | | | | | | | | | | | | | | \$11 | 22.76 | 3.21% |
| New Multi-Residential | 267 | 2 | | | 2 | \$133 | | | | | | | | | | | | | | | | | | \$133 | | |
| Multi-Residential | 3,499 | 20 | 5 | \$54 | 8 | \$171 | 6 | \$243 | 1 | \$408 | | | | | | | | | | | | | | \$175 | 208.54 | 0.57% |
| Commercial Occupied | 100,379 | 257 | 70 | \$54 | 77 | \$139 | 32 | \$241 | 38 | \$377 | 16 | \$593 | 4 | \$850 | 10 | \$1,208 | 2 | \$1,746 | 3 | \$2,500 | 5 | \$5,573 | | \$391 | | |
| Commercial Excess Land | 744 | 6 | 5 | \$46 | | | | | | | 1 | \$512 | | | | | | | | | | | | \$124 | | |
| Commercial Vacant Land | 2,210 | 30 | 23 | \$55 | 6 | \$115 | 1 | \$247 | | | | | | | | | | | | | | | | \$74 | | |
| Industrial Occupied | 1,551 | 12 | 7 | \$57 | 1 | \$189 | 4 | \$240 | | | | | | | | | | | | | | | | \$129 | | |
| Industrial Excess Land | 310 | 6 | 5 | \$35 | 1 | \$137 | | | | | | | | | | | | | | | | | | \$52 | | |
| Industrial Vacant Land | 1,365 | 40 | 39 | \$32 | 1 | \$112 | | | | | | | | | | | | | | | | | | \$34 | | |
| Large Industrial | (62,070) | 0 | | | | | | | | | | | | | | | | | | | | 1 | | -62,070 | | |
| Pipelines | 5,033 | 2 | | | | | | | | | | | 1 | \$801 | | | | | | | 1 | \$4,233 | | \$5,033 | | |

| | | |
|-------------|---------|---|
| | 326,510 | |
| PIL Changes | (7,670) | This information is showing the impact by property type, the number of properties impacted and the average amount of the change in municipal taxes from the prior year. |
| | 318,840 | |

| | | | |
|--|-------------|-------------|-----------|
| Residential Property Analysis- Municipal Taxes | | | |
| | 0.01788408 | 0.01850739 | |
| CVA of Property | 2021 Taxes | 2022 Taxes | Increase |
| 100,000 | \$ 1,788.41 | \$ 1,850.74 | \$ 62.33 |
| 200,000 | \$ 3,576.82 | \$ 3,701.48 | \$ 124.66 |
| 300,000 | \$ 5,365.22 | \$ 5,552.22 | \$ 186.99 |