

THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

STAFF REPORT

DATE: December 15, 2020
TO: Council
FROM: Rhonda Whitmarsh, Treasurer
SUBJECT: 2021 Budget

RECOMMENDATION:

THAT Council approve the 2021 budget.

BACKGROUND:

On June 16, 2020 Council approved a new timeline and process for the 2021 budget:

Resolution No. 239-20

Moved by Councillor Maydan

Seconded by Councillor Ferguson

THAT Council approve Option 2-enhanced community engagement, a September target start date, and a December target approval date as the 2021 budget schedule and process.

CARRIED

The process and timelines and that were outlined in the original report and approved by Council have been followed with the exception of the final Council approval date which was scheduled for December 8, 2020. The process included weekly educational pieces and a public budget survey that replaced the historic public meeting.

DISCUSSION:

A series of special Committee of the Whole meetings on the budget were held on September 27th, October 13th, October 15th and November 24th. The shortfall being considered by Council on November 24th was \$3,487,445 before including service delivery and strategic planning items that had previously been considered at a special Council meeting held on October 27th.

The results of the budget deliberations held at the meeting are as follows:

Budget Shortfall	\$3,487,445
Changes to departmental operating budgets	(\$160,074)
Capital budget changes	(\$3,750,680)
Increase in transfers to reserves for future capital	\$531,749
Increase the capital budget for road work	\$108,440
Increase tax revenue as a result of growth (2%)	(\$216,880)
Increase operating budgets for new staffing effective June 1, 2021 (IT, HR, Communications)	\$48,090
Increase operating budgets for office modifications, office equipment, training, etc.	\$74,070
Increase the capital budget for a Transportation Master Plan less applicable development charges	\$15,500
Increase the operating budget for broadband	\$27,125
Increase taxation revenue above growth	(\$164,785)
Revised shortfall	\$0

In addition, Council made the decision to remove the Almonte Downtown Renewal project of \$4,751,760 which also removed the proposed long term financing for this work.

The overall budget is now depicted as:

Mississippi Mills 2021 Budget

Description	Dollars
Municipal Operations & Capital (Total Expenditures)	\$34,102,527
Funding for Municipal Operations & Capital	
■ Municipal Tax Revenue	\$11,879,710
■ Long Term Financing	\$3,718,640
■ Reserves/Development Charges	\$5,508,761
■ User Fees & Other Revenues	\$9,162,928
■ Federal, Provincial, County Grants	\$3,832,488
Total Revenue	\$34,102,527
Current Shortfall	\$0

At the budget meeting held on November 24th, growth was forecasted to be 2%. Growth information has now been received from the Assessment Office and translates to 2.5% overall.

The above chart of changes to the draft budget can be modified as follows:

Budget Shortfall	\$3,487,445
Changes to departmental operating budgets	(\$160,074)
Capital budget changes	(\$3,750,680)
Increase in transfers to reserves for future capital	\$531,749
Increase the capital budget for road work	\$108,440
Increase tax revenue as a result of growth (2.5%)	(\$270,545)
Increase operating budgets for new staffing effective June 1, 2021 (IT, HR, Communications)	\$48,090
Increase operating budgets for office modifications, office equipment, training, etc.	\$74,070
Increase the capital budget for a Transportation Master Plan less applicable development charges	\$15,500
Increase the operating budget for broadband	\$27,125
Increase taxation revenue above growth	(\$111,120)
Revised shortfall	\$0

The resulting tax revenue increase for the Municipality after growth of 2.5%, is 4.02%. It is estimated that the tax increase on the average residential taxpayer is approximately \$74.52 for the year or \$6.21 per month. The increase to the average taxpayer will be slightly higher after adding the County and School Boards at approximately \$99.50 per year or \$8.30 per month. **The overall impact to the average taxpayer including County and School Boards is 2.64%.**

The final tax rates for 2021 will be determined and passed by by-law in the spring of 2021 once Education rates are received from the Province and County tax rates are established. Both the County and Municipal tax rates can't be determined until tax ratios are set by the County which typically happens in March each year. The final tax rate by-law has to be passed prior to final 2021 tax bills being issued which happens in June each year.

Water and Sewer rates are also budgeted to increase by 3.04% or \$31.12 per year for the average user. This equates to \$5.20 for every two month billing, or \$2.60 per month.

Feedback received through the budget survey process did not indicate any specific issues with the levels of spending included in the budget nor have I heard from residents following the budget meeting on November 24th to provide any further comments or concerns.

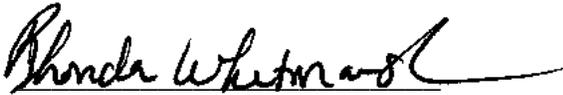
FINANCIAL IMPLICATIONS:

There are no financial implications as a result of this report.

SUMMARY:

Council and Staff have worked together over the past few months to present a budget that addresses 2021 operating and capital needs while still improving the capital reserve position for future asset replacement. With limited financial resources and competing demands for funds, Council has had to make some difficult decisions to establish the final 2021 budget. No comments have been received from residents or members of Council since the meeting on November 24th therefore, I am recommending that the 2021 budget be approved.

Respectfully submitted by,



Rhonda Whitmarsh,
Treasurer

Reviewed by:



Ken Kelly,
CAO