

2022 Budget Overview

Special Council Meeting

November 18, 2021

Agenda

- Financial Overview 2019 – 2022
- Pandemic Response and Recovery
- 2022 City Budgets
 - Capital
 - Operating
 - Special Projects
 - Water and Wastewater (Operating and Capital)

Financial Overview

... have grown by
... in 200

over the
other



Financial Overview

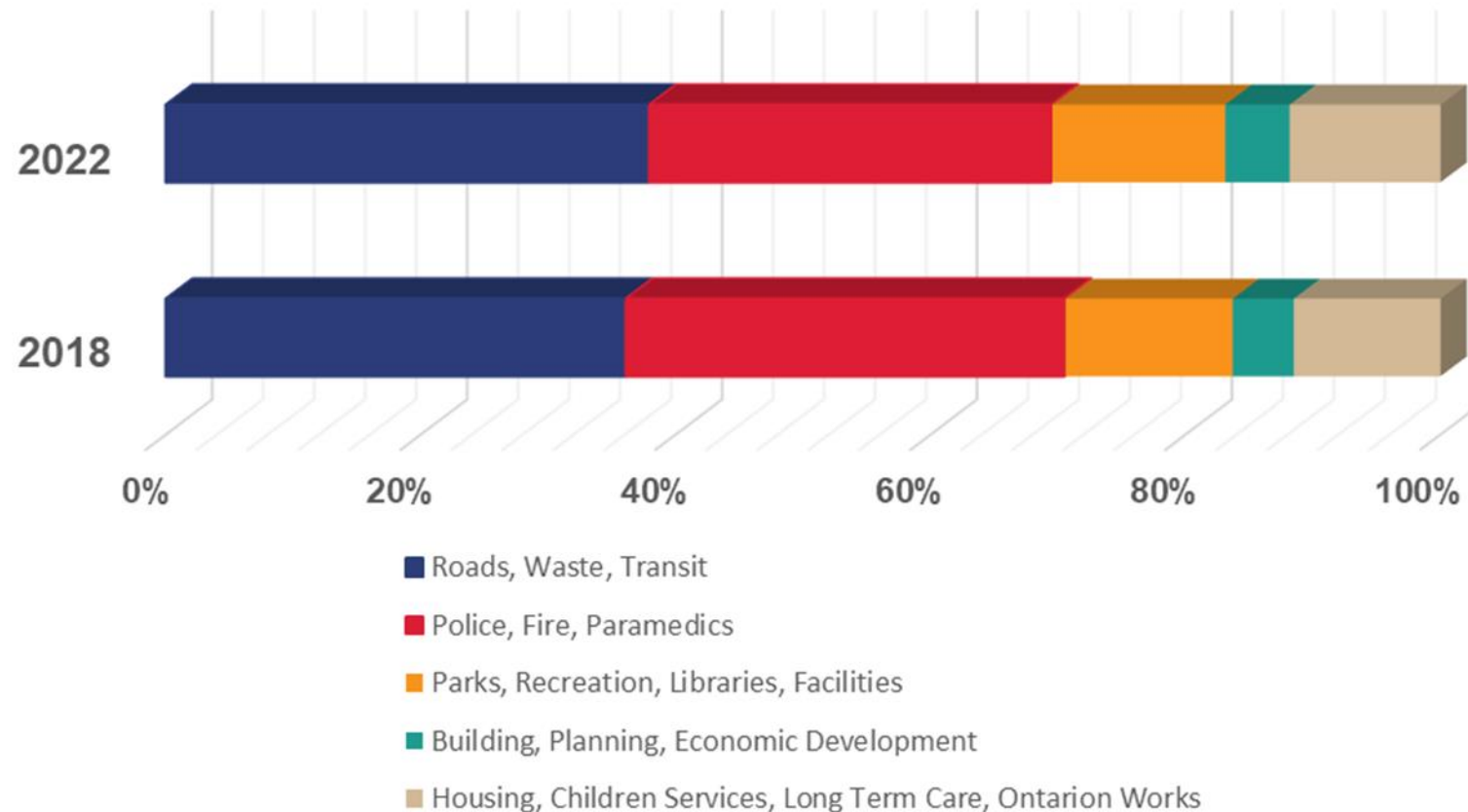
Financial Overview 2019 - 2022

- The 2022 budget is the final budget for this term of Council
- Highlight some of the key financial initiatives that Council has undertaken
- Respond to frequent comments about the City's finances:
 - Taxes are too high
 - Not enough investment in roads
 - Too many staff
 - Too much debt
 - Use the surplus to lower taxes

Financial Overview 2019 – 2022

Operating Budget

Throughout the term of Council, the City continued to provide 200+ services in a consistent and effective manner



Financial Overview 2019 – 2022

Operating Budget

- Operating Budget highlights:
 - Introduced the Special Projects budget to provide transparency on non-capital related one-time expenditures
 - Introduced WSIB, Insurance and Winter Maintenance reserves to manage volatility and stabilize tax levy increases
 - Partnered with Peterborough County on shared services
 - Introduced the Million dollar makeover program to revitalize downtowns and support small businesses
 - Supported a Community Paramedic program

Financial Overview 2019 – 2022

Capital Budget

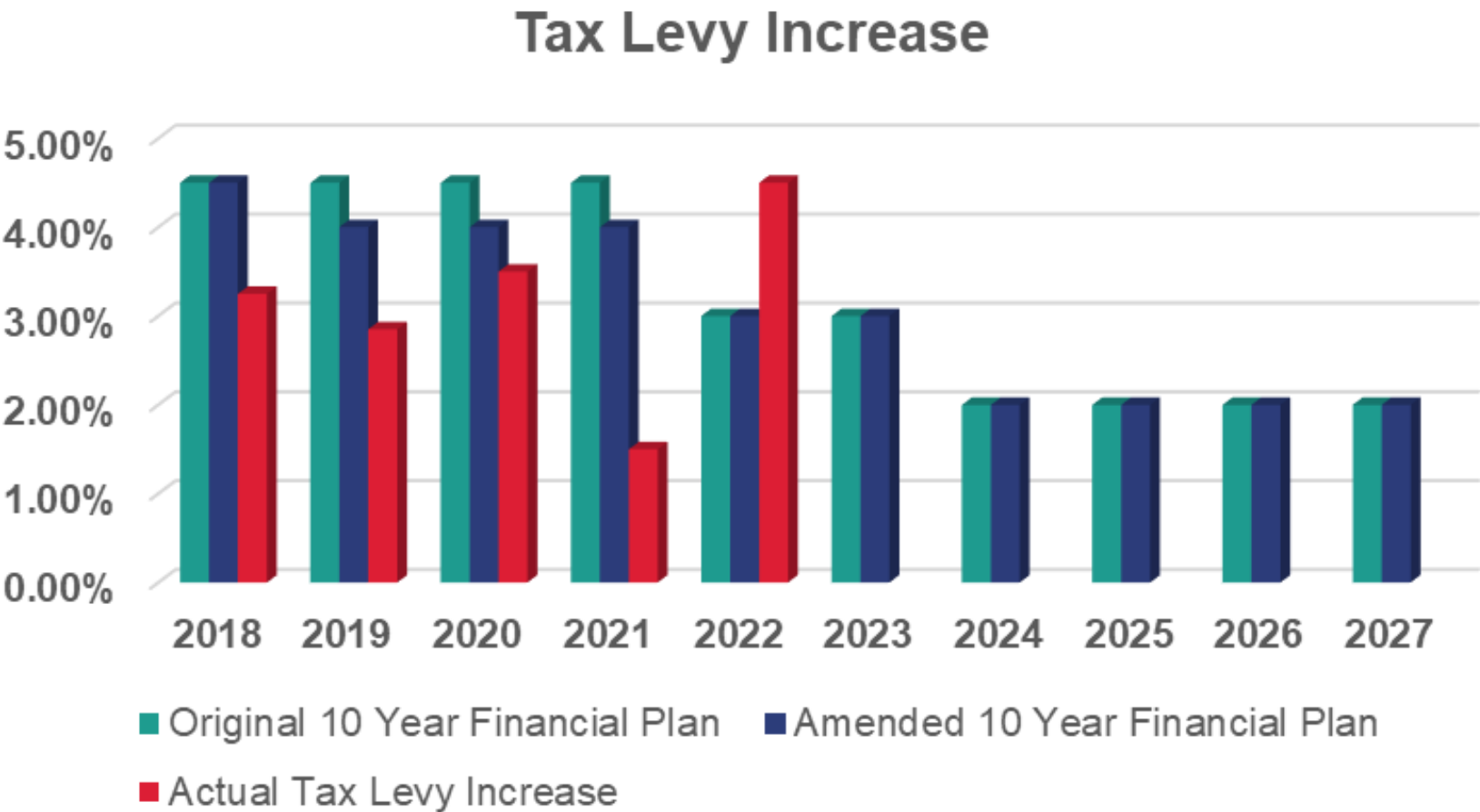
- Council invested more than \$160 million in the maintenance, construction and acquisition of City assets

- Highlights include:
 - Revitalization of two downtown areas: Lindsay and Fenelon Falls
 - Construction of the Mariposa Fire Station
 - Construction of Logie Park and Bobcaygeon Beach Park
 - Investment of \$72M in the rehabilitation of almost 700 km of roads

Financial Overview 2019 – 2022

Property Tax

Cumulative Tax Levy Increase of 12.35% or an average of 3.1% per annum



Financial Overview 2019 – 2022

Property Tax

There are many factors that determine how much taxes a residential property pays:

- the assessed value of the property;
- the mix of residential and non-residential properties in the municipality;
- the municipal services provided; and
- the size, location and population of the municipality

Financial Overview 2019 – 2022

Property Tax

2021 Tax Rate Comparison

1	Toronto	0.611013%
2	Markham	0.632908%
3	Richmond Hill	0.659549%
4	Vaughan	0.669976%
5	Milton	0.683333%
6	Oakville	0.721512%
7	Aurora	0.762133%
8	Burlington	0.779583%
9	Newmarket	0.794819%
10	Halton Hills	0.796429%
11	Mississauga	0.803063%
12	Caledon	0.805224%
13	Brampton	0.962669%

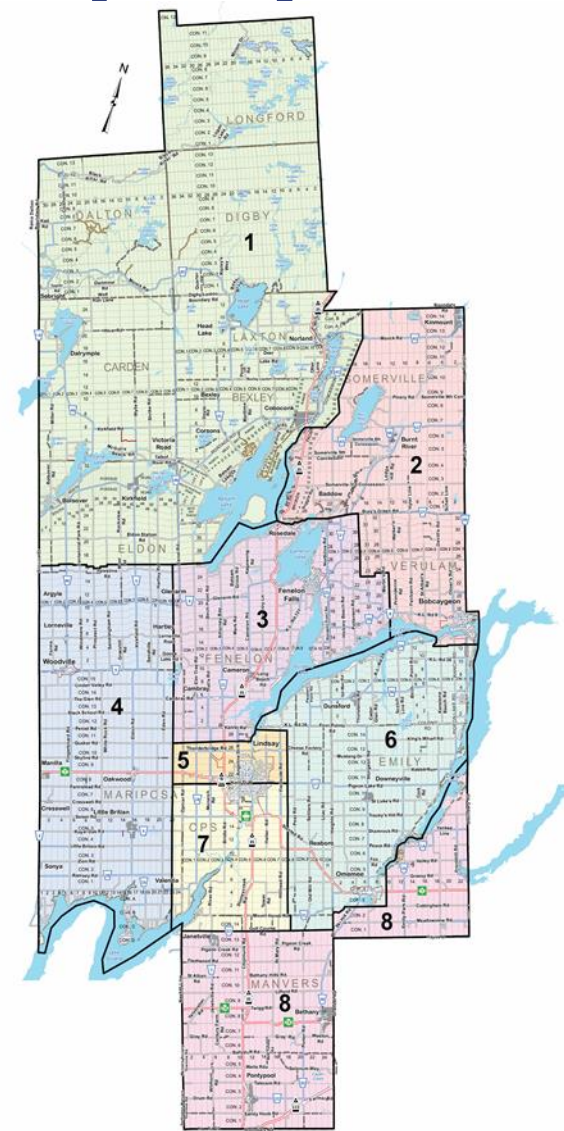
14	Ottawa	1.000000%
15	KL – non Lindsay	1.044192%
16	Pickering	1.080044%
17	Ajax	1.091294%
18	Waterloo	1.093399%
19	Kitchener	1.106139%
20	Huntsville	1.181740%
21	Whitby	1.122891%
22	Guelph	1.142609%
23	Cambridge	1.186330%
24	Hamilton	1.208567%
25	Barrie	1.218959%
26	KL - Lindsay	1.263401%
27	Oshawa	1.304741%

28	Niagara Falls	1.309140%
29	Orangeville	1.333837%
30	Kingston	1.365454%
31	Orillia	1.385466%
32	London	1.388283%
33	Peterborough	1.448245%
34	St Catharines	1.455746%
35	Sudbury	1.546783%
36	North Bay	1.568182%
37	Parry Sound	1.574244%
38	Sault St Marie	1.588067%
39	Thunder Bay	1.591080%
40	Windsor	1.818668%
41	Chatham Kent	1.878367%

Note: includes education property taxes, and upper tier property taxes as applicable

Financial Overview 2019 – 2022

Property Tax



**City of Kawartha Lakes
road network is
more than 5,300 km**



Financial Overview 2019 – 2022

Property Tax



City of Toronto

- Lane km of roads per household ~80



City of Peterborough

- Lane km of roads per household ~37



City of Kawartha Lakes

- Lane km of roads per household ~7

Financial Overview 2019 – 2022

Staffing

Staffing as a Percentage of Revenue

1	Orillia	27.30%
2	Kawartha Lakes	31.13%
3	Kingston	32.13%
4	London	33.34%
5	Peterborough	35.11%
6	Ottawa	35.51%
7	Barrie	38.34%

8	Sudbury	40.56%
9	Hamilton	40.65%
10	Thunder Bay	40.98%
11	Sault Ste Marie	41.61%
12	Toronto	43.74%
13	North Bay	44.40%
14	Guelph	47.31%

Financial Overview 2019 – 2022

Year End Surplus

- The City's annual surplus has been approximately \$3 million, on average
 - 2018 and 2020, Council allocated the surplus to the capital reserve
 - 2019, Council allocated the surplus to support community related pandemic initiatives
- A \$3 million surplus is equal to +/- 1.3% of the City's total tax supported budgets
- This would be equivalent to the average household in Kawartha Lakes having +/- \$800 in savings at the end of the year

Financial Overview 2019 – 2022

City Debt

- Province prescribes the maximum amount of debt the City can incur
- The City currently has +/- \$140 million in debt to support its \$3.5 billion in assets
- In the context of a household, this would be the equivalent of a home valued at \$475,000 having a mortgage of +/- \$20,000





Pandemic Response and Recovery



Pandemic Response and Recovery

- In 2020, Council approved that the 2019 surplus of \$3.0M be directed toward community pandemic recovery initiatives
- This funding has been fully allocated to support initiatives including:
 - Arts, Culture and Heritage recovery fund framework
 - Community Pandemic recovery fund framework
 - Enhanced services in downtowns, parks, and gathering areas
 - Infusion of funding to the 50/50 community program
 - Improvements to various boat launches
 - Reconstruction of Colborne Street, Fenelon Falls



Pandemic Response and Recovery

- The City has received \$7.0M in Safe Restart funding from the Federal and Provincial government
- These funds were intended to support municipalities in continuing to provide municipal services throughout the pandemic
- To date the funds have been allocated towards operations including:
 - Acquisition of protective equipment for first responders
 - Technology supports to ensure continuity of services
 - Offsetting pandemic related costs and lost revenues to reduce tax levy impacts to residents
- Approximately \$400,000 remains to uncommitted





2022 Proposed Budget

2022 Budget

Operating

- Ongoing delivery of 200+ day to day services

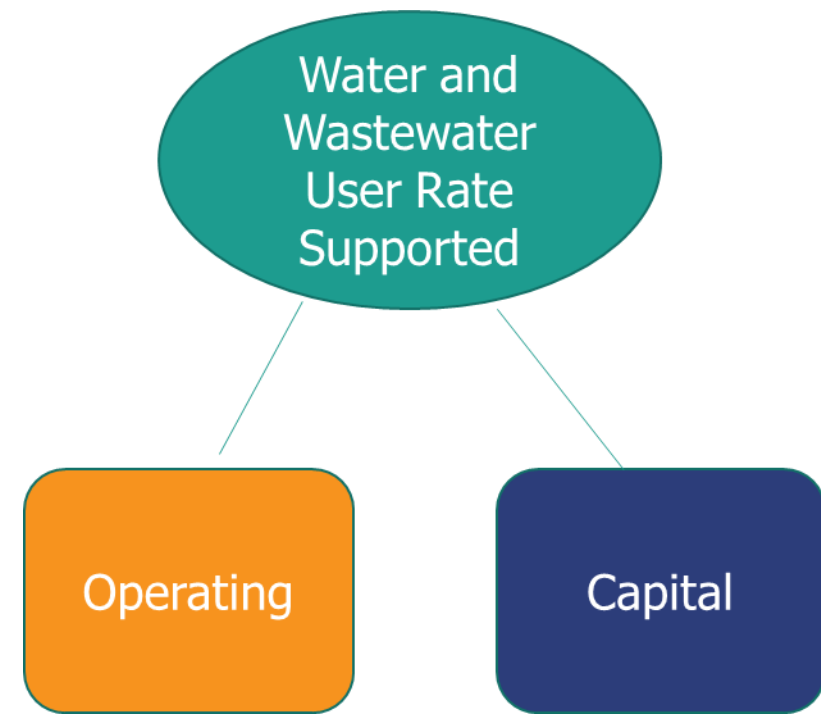
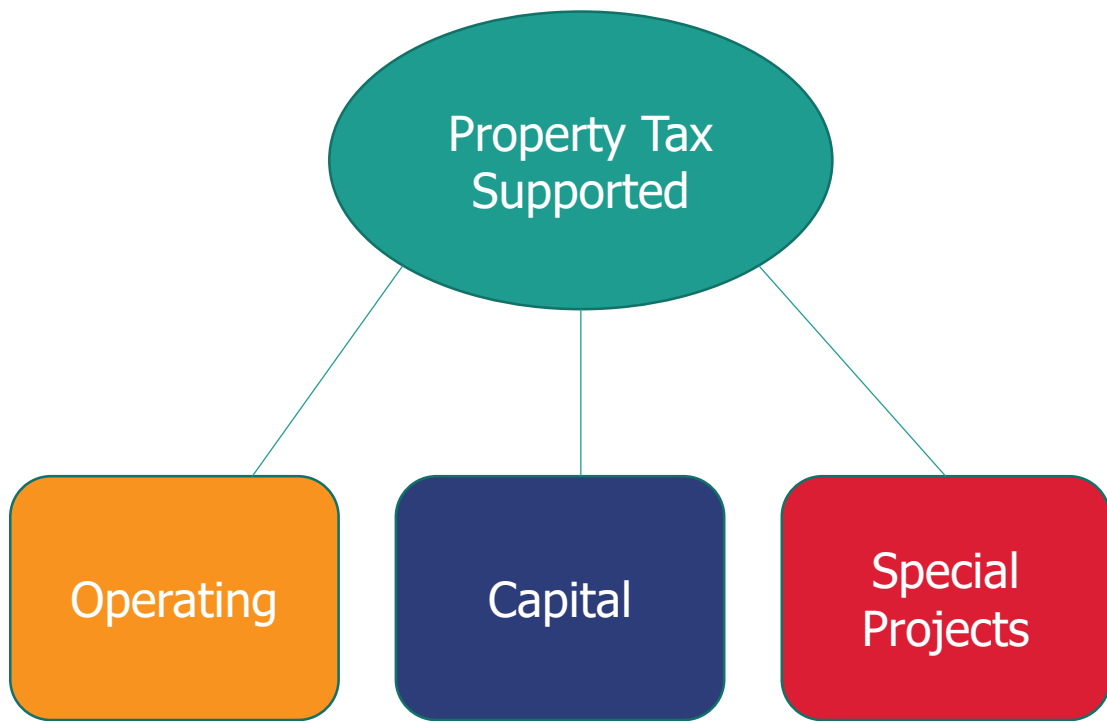
Capital

- One time in nature
- Results in the creation of or improvement to an asset

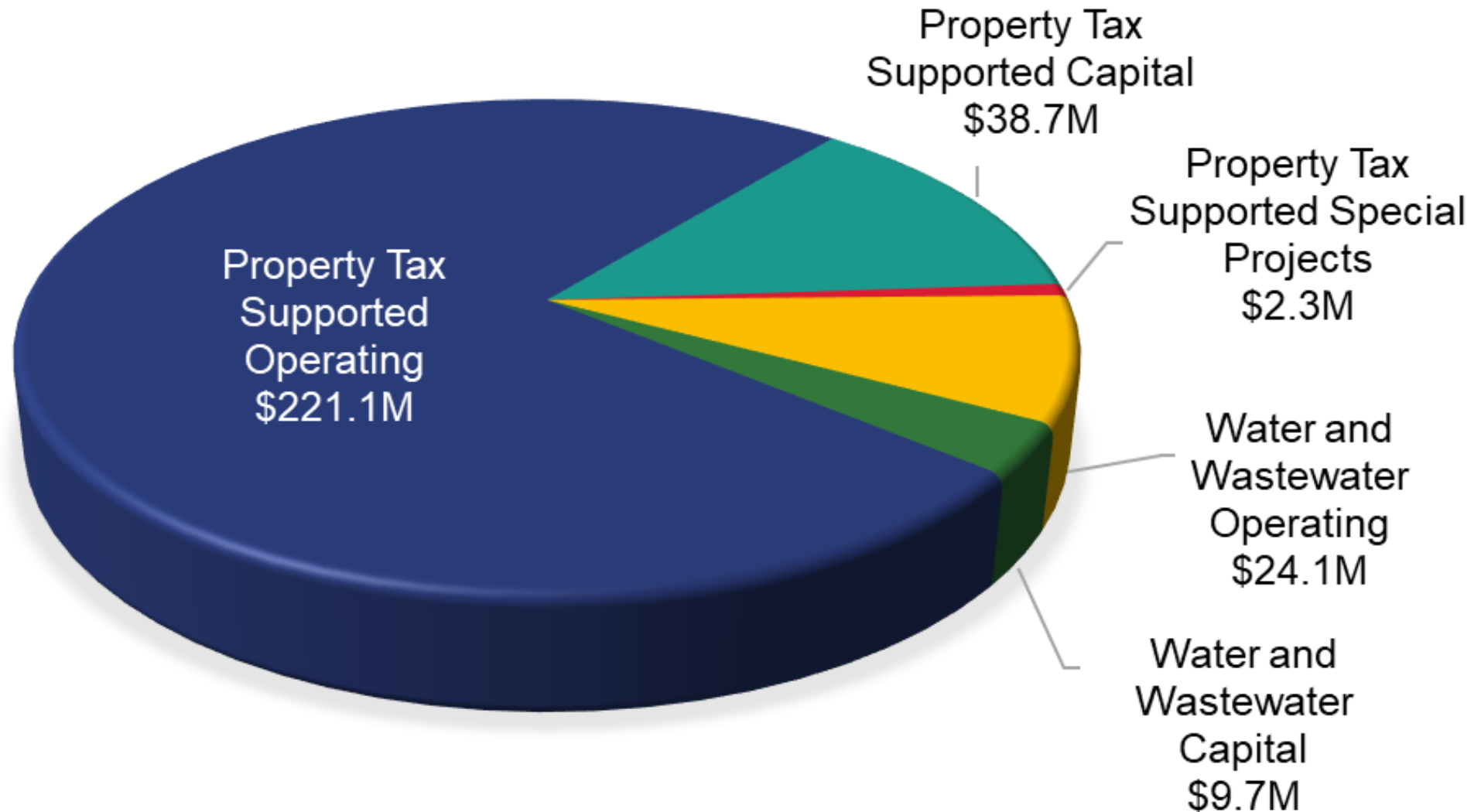
Special Projects

- One time in nature
- Does not result in the creation of or improvement to an asset

2022 Budget



2022 Proposed Budget: \$295.9M



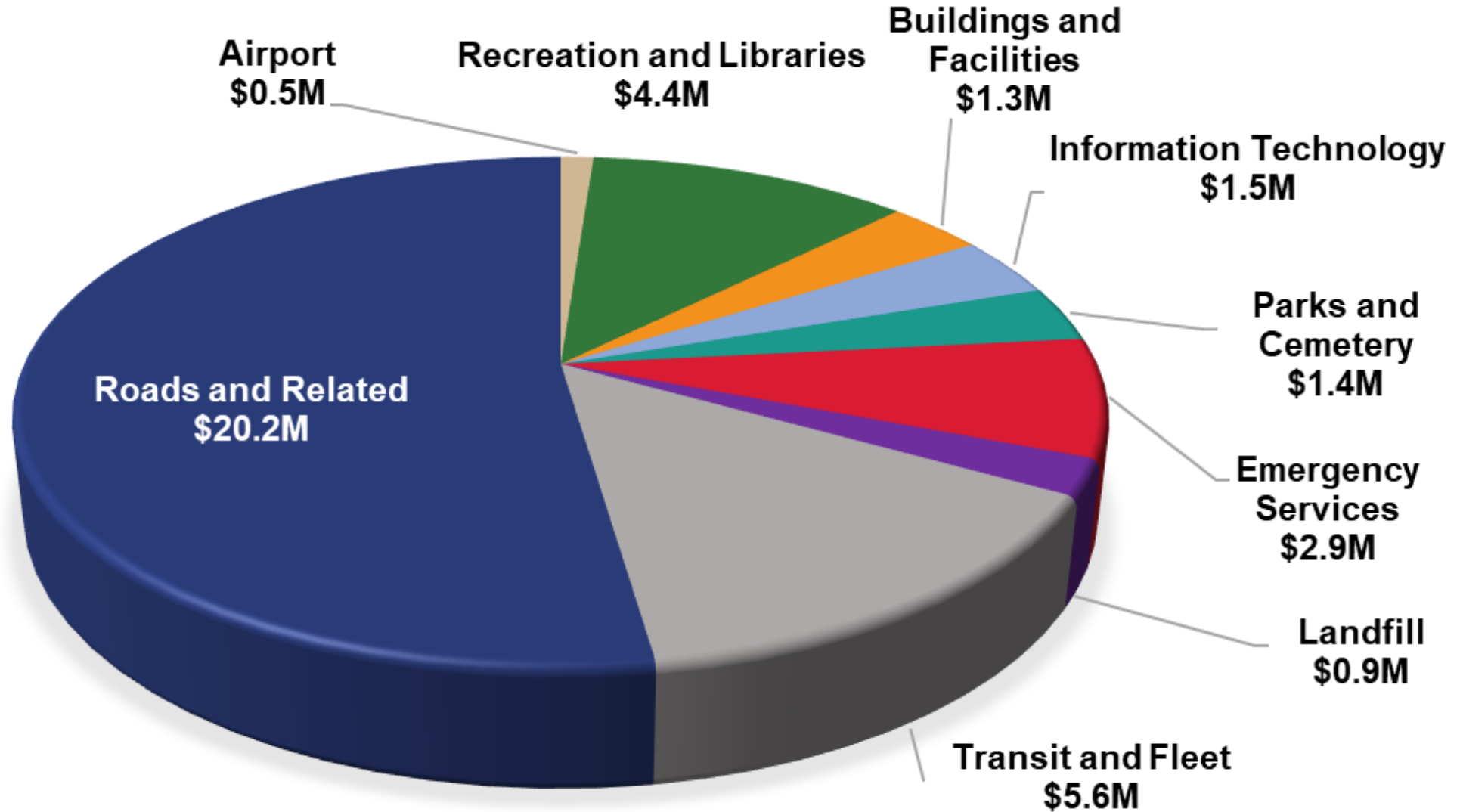


Capital Budget

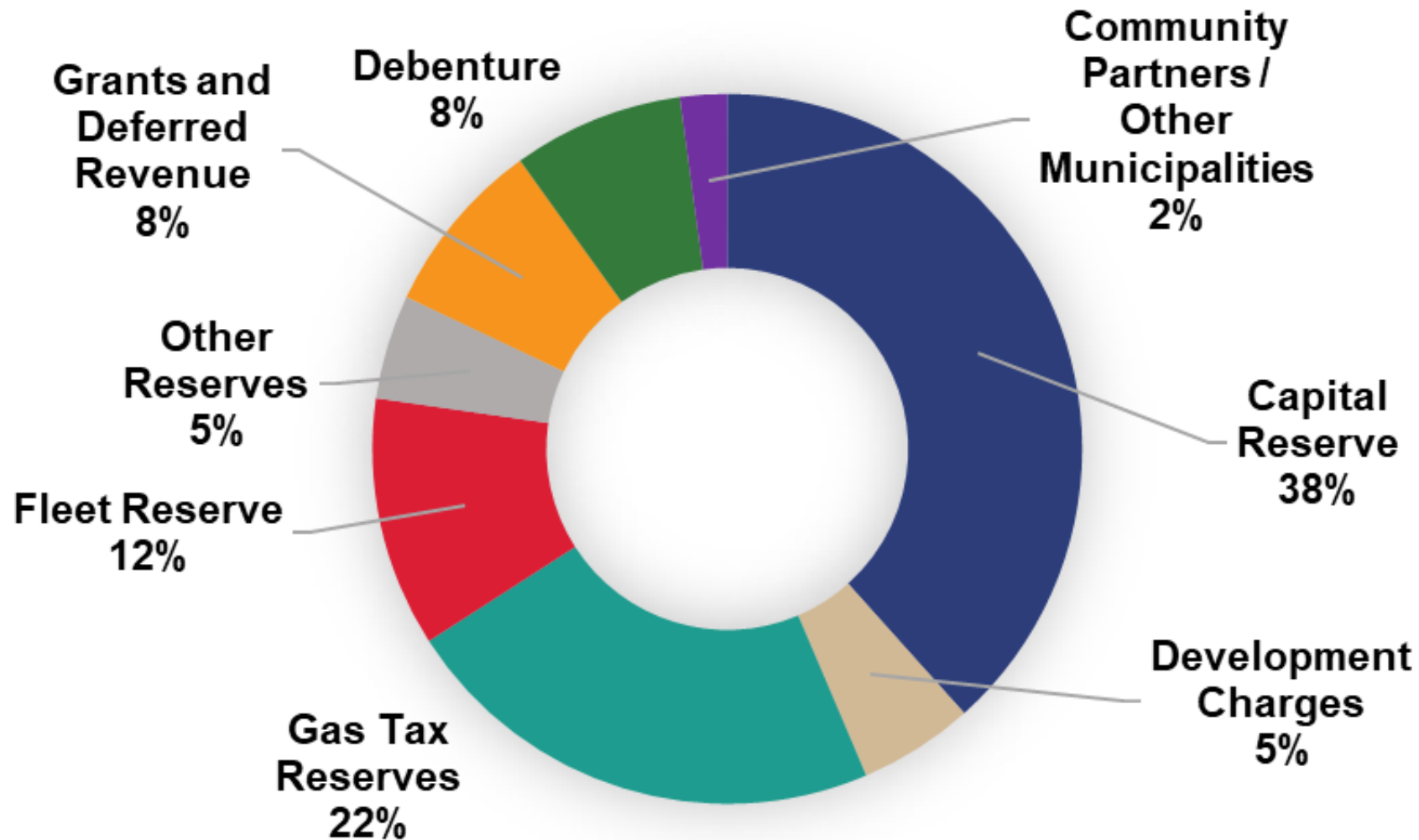
Kawartha Lakes
Jump In



2022 Proposed Capital Budget: \$38.7M



2022 Proposed Capital Budget: \$38.7M



2022 Proposed Capital Budget

Highlights of the 2022 proposed budget include:

- Rehabilitation of 173 km of roads
- Design of a new Paramedic Headquarters and Fleet Centre
- Replacement of Lindsay Recreation complex ice pads
- Ongoing repair and maintenance of the City's assets



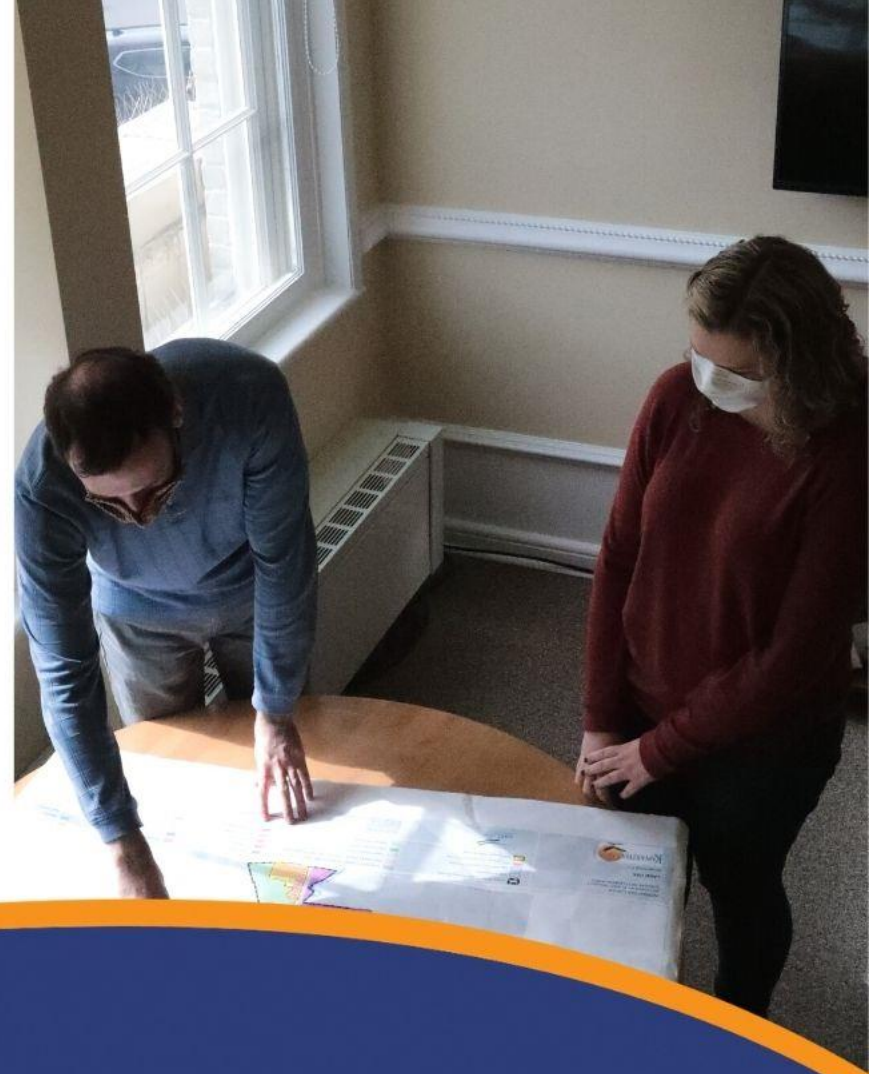
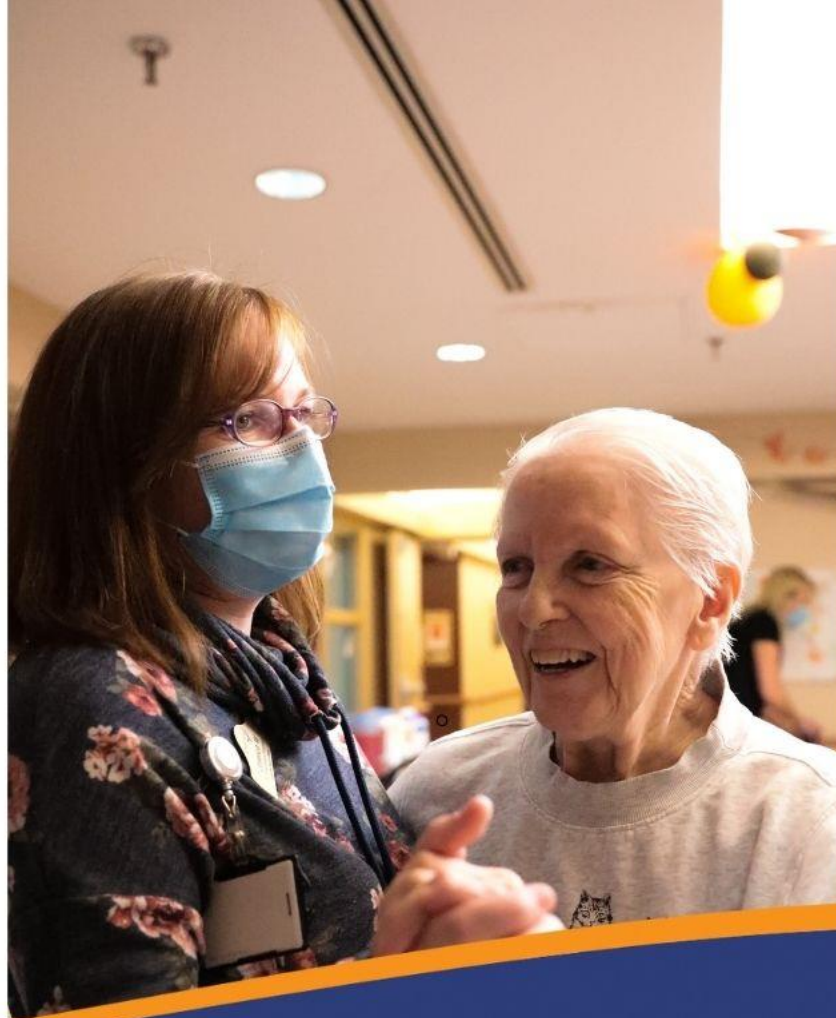
2022 Proposed Capital Budget

- With each budget, there is a list of projects that must be deferred due to funding constraints and maintaining affordability
- The 2022 budget contains a list of deferred projects (page 177-180) totaling \$16.8M
- The Long Range forecasts anticipates this list to grow exponentially without an infusion of funding and/or incurring significant debt

2022 Proposed Capital Budget

- Council approved a dedicated tax levy of 1.5% to support the capital budget
- This equates to approximately **\$35** to the average household





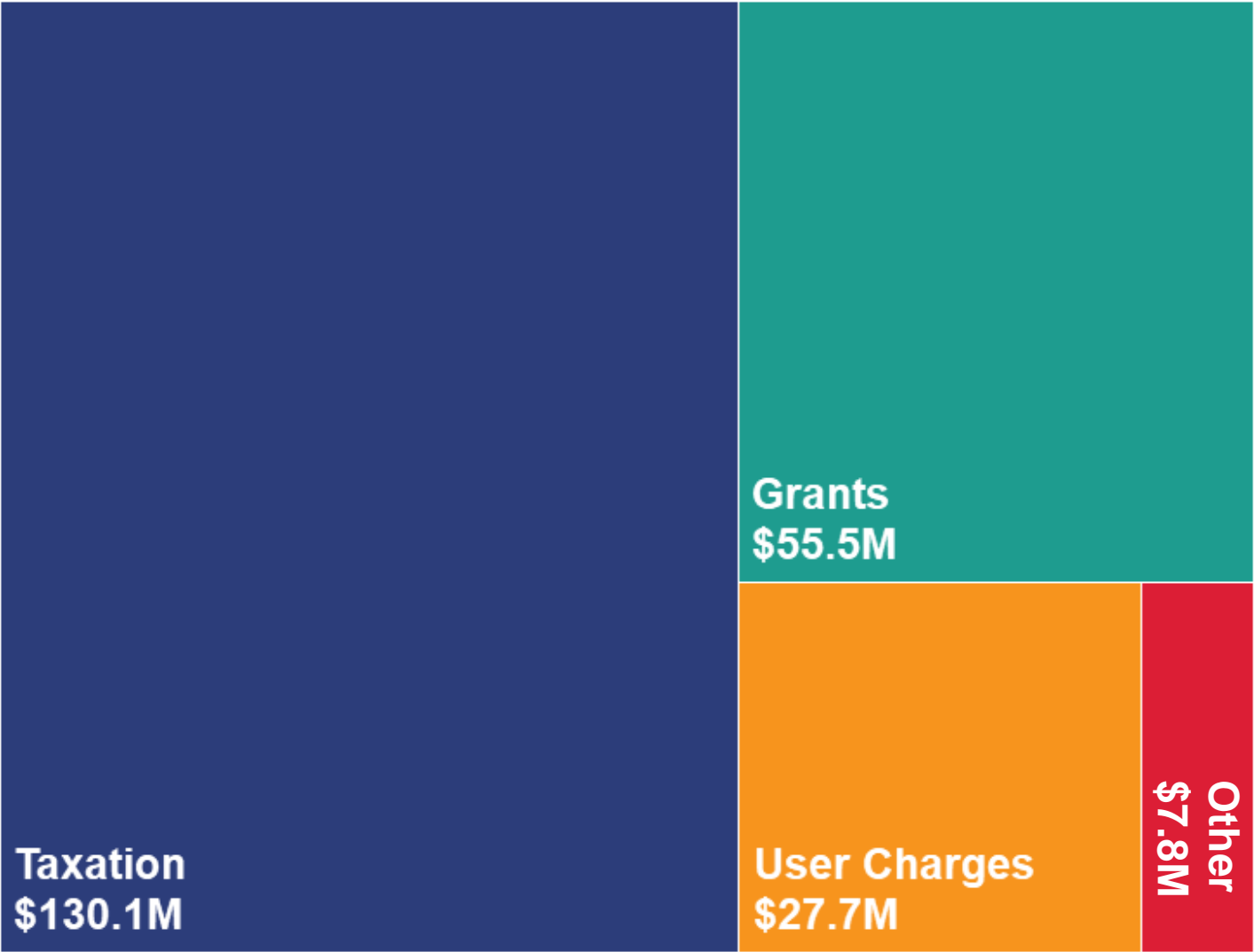
Operating Budget

2022 Proposed Operating Budget: \$221.1M Expenses

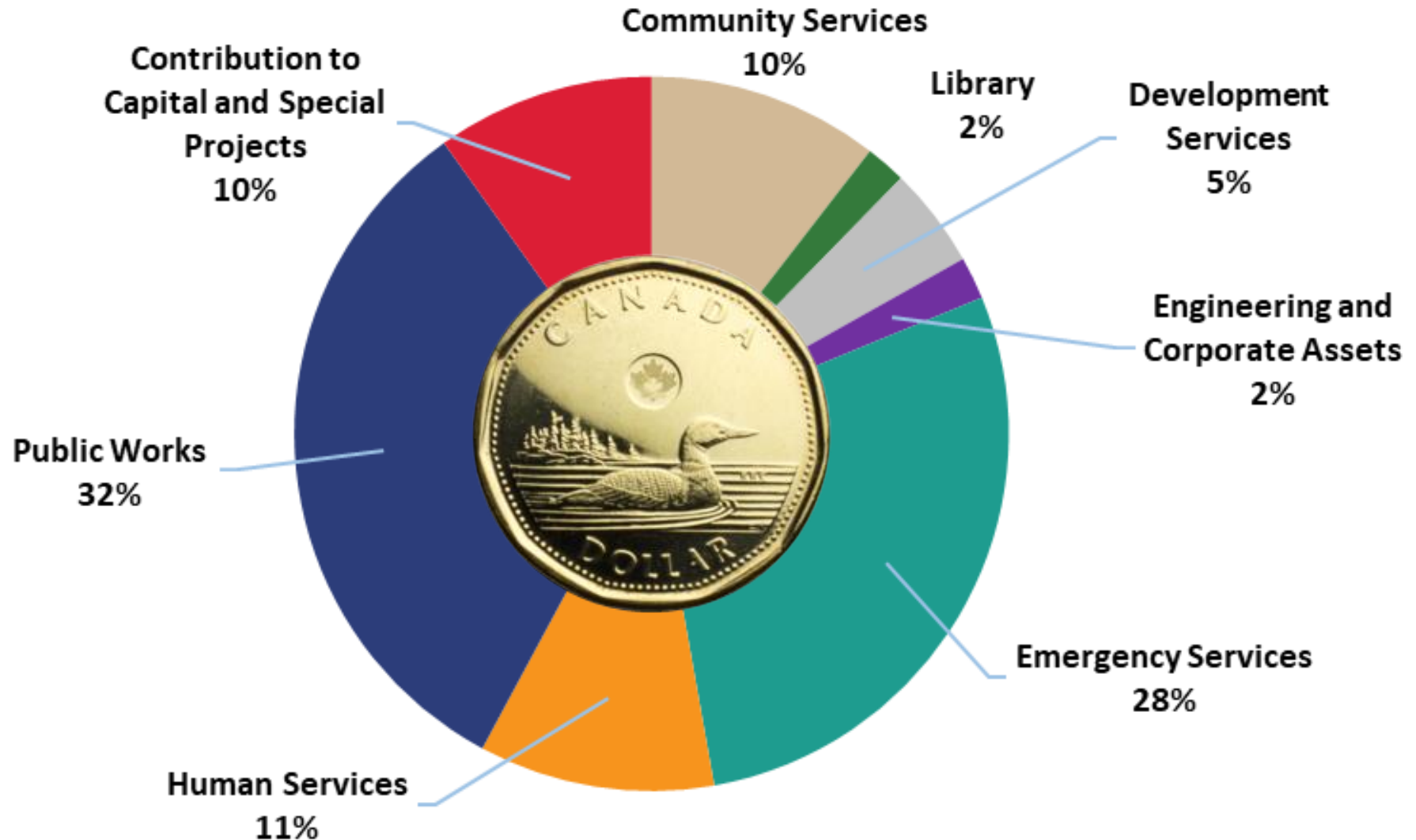


2022 Proposed Operating Budget: \$221.1M

Revenues

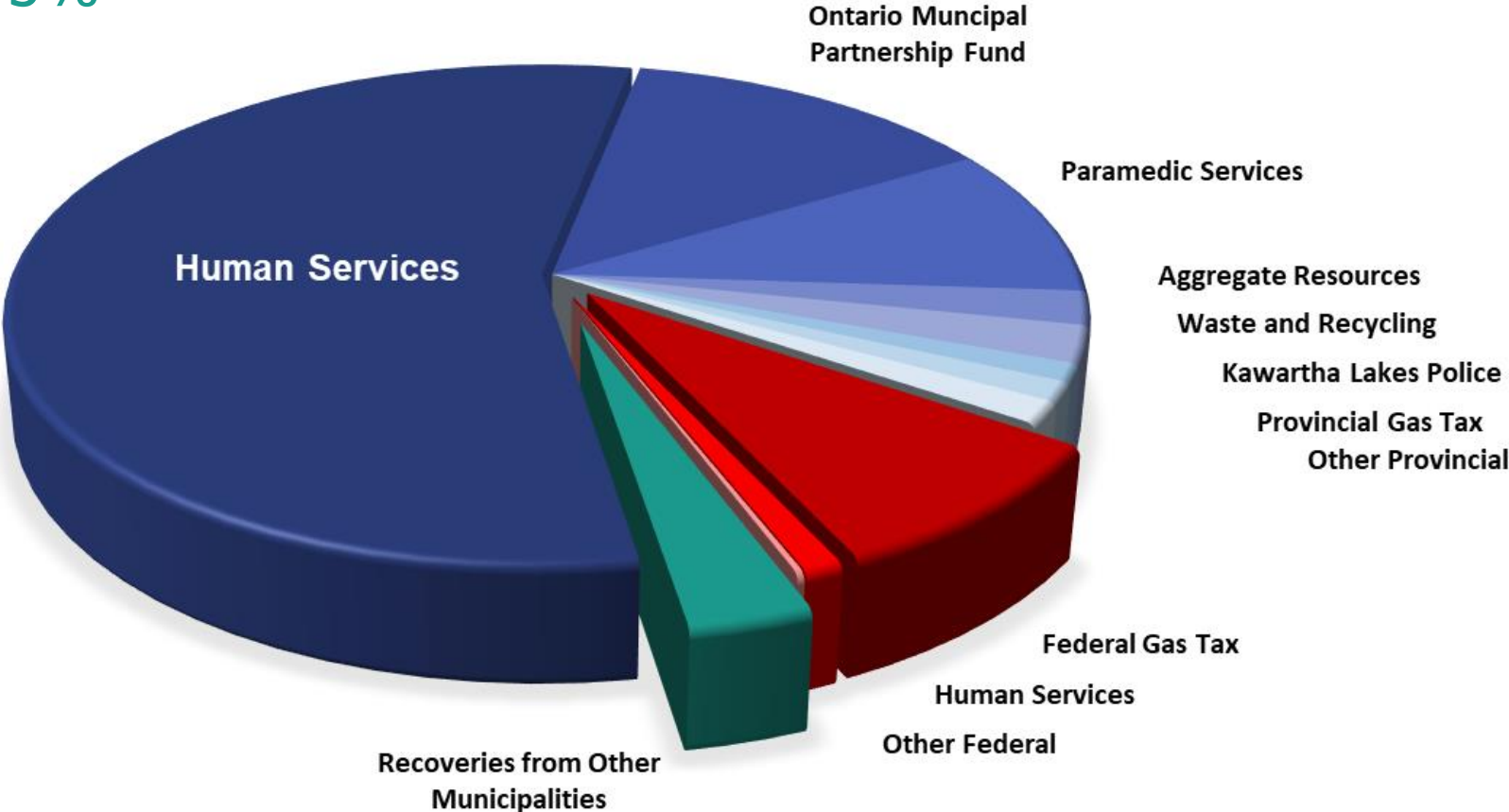


Where Does \$130.1M in Tax Dollars Go?



Grant Funding: \$55.5M

Provincial Grants	87%
Federal Grants	10%
Other Municipalities	3%



2022 Proposed Operating Budget

Key drivers impacting the budget

Salaries and Benefits	\$2.1M
New positions	\$1.4M
Culvert maintenance	\$0.6M
Debt payments	\$0.4M



2022 Proposed Operating Budget

- The total budgeted tax levy increase is 3.0%
- This represents the increase in the taxation budget to support the 2022 operating budget
- This is not the increase residents will experience on their tax bill



Special Projects Budget

2022 Proposed Special Projects Budget

- The special projects budget was created during this term of Council.
- This budget is for items that are one-time in nature such as information technology and plans or studies.
- The Special Projects budget also included budgets for annual maintenance and repair items. Commencing in 2022, these items have been moved back to the Operating Budget.

2022 Special Projects Budget: \$2.3M

Expenses



Revenue



2022 Proposed Special Projects Budget

Highlights of the Special Projects Budget include:

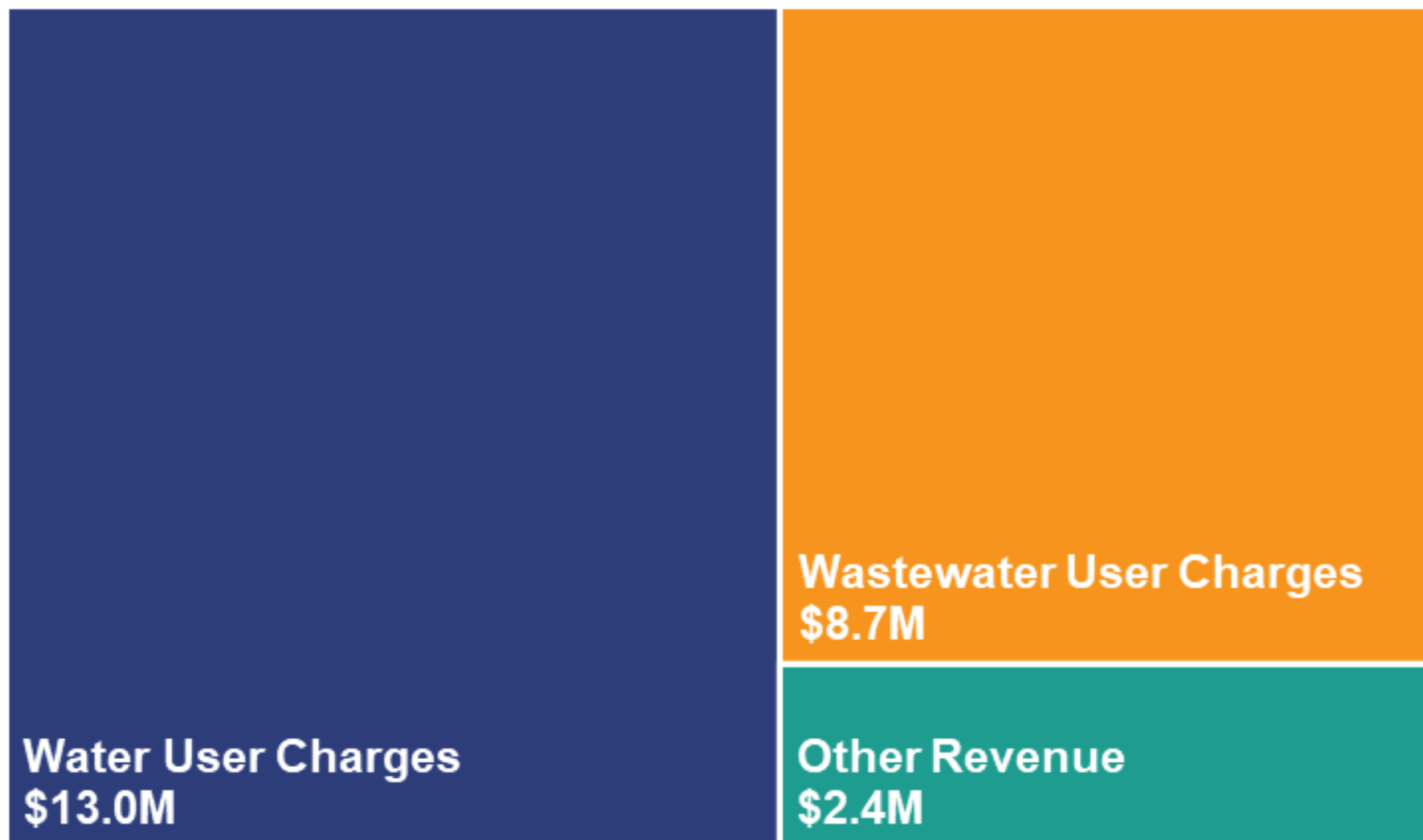
- Final year of the investment in a cell gap initiative with Eastern Ontario Rural Network (EORN)
- Technology and applications for enhanced efficiency and service
- Studies and plans including a transportation master plan and environmental assessments



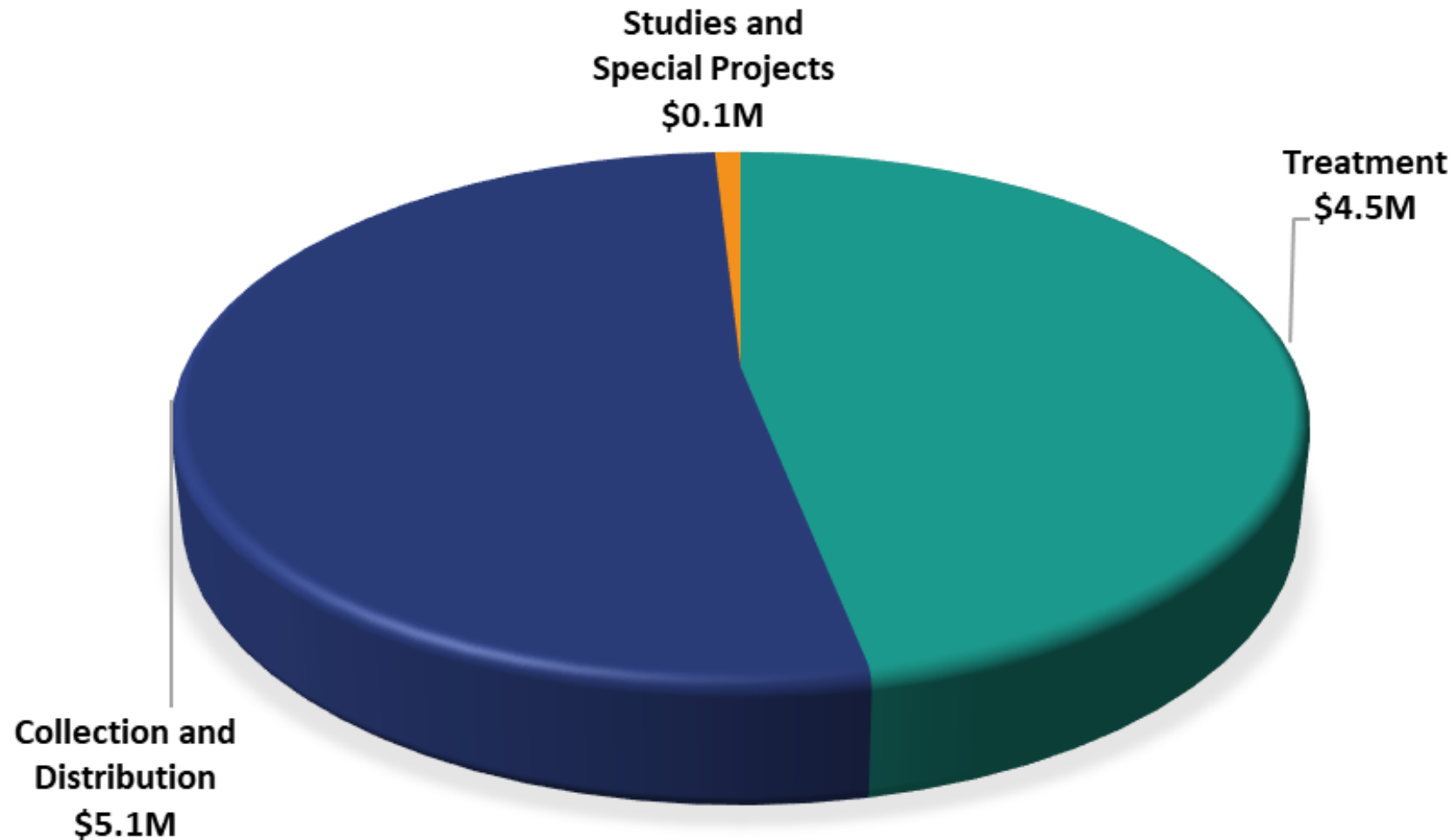


Water and Wastewater Budget

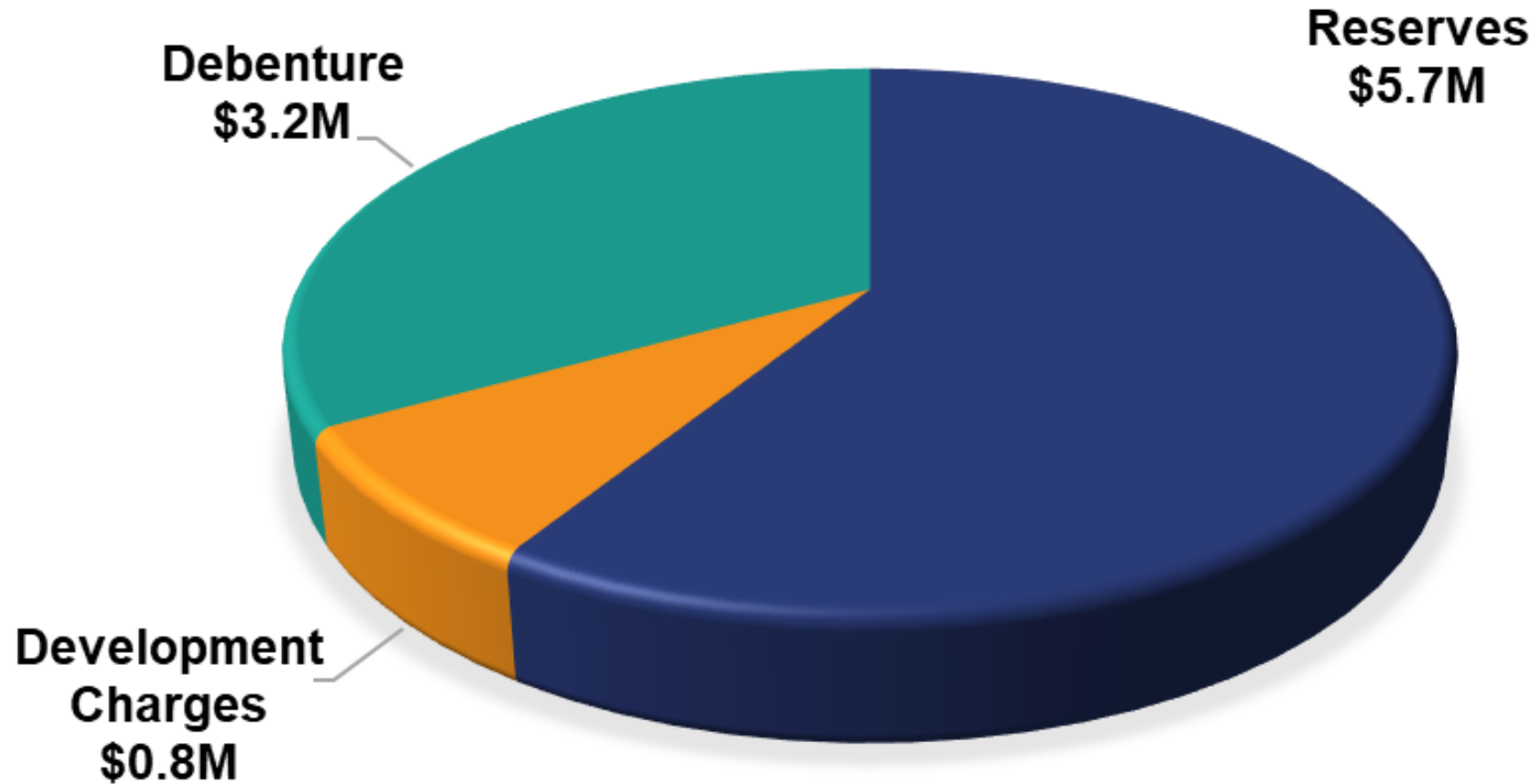
2022 Proposed Water & Wastewater Operating Budget: \$24.1M



2022 Proposed Water & Wastewater Capital Budget: \$9.7M



2022 Proposed Water & Wastewater Capital Budget: \$9.7M



2022 Proposed Water & Wastewater Budget

- Watson and Associates were retained in 2020 to complete a 10 year water and wastewater rate study and financial plan
- This plan was adopted by Council in March 2021
- The 2022 budget has been prepared in alignment with this plan and proposes a 3% increase

Next Steps

November 30 Special Council Meeting

Budget deliberation and approval

- Capital Budget

December 7 Special Council Meeting

Budget deliberation and approval

- Operating Budget
- Special Projects
- Water and Wastewater Operating and Capital

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2022 Budget Schedule	
Date	Action
September 14, 2021	Special Council Meeting, 9am Budget overview and Department presentations Download all presentations in PDF Watch on YouTube
October 26, 2021	Special Council Meeting Agency and Board presentations to Council Download all presentations in PDF Watch on YouTube Read press release
November 5, 2021	The Proposed Budget and Business Plan is provided to Council and posted online Proposed Budget and Business Plan
November 18, 2021	6:30pm, Public Meeting – Evening, general presentation, electronic format Read press release on how to become informed and engaged in the Budget.
November 30, 2021	9am, Capital Budget deliberations (resuming Dec. 1 at 9am if required)
December 7	9am, Operating, Special Projects and Water-wastewater Budget Deliberations (resuming Dec. 8 at 9am if needed)