



Staff Report FIN2024-005

Title of Report: FIN2024-005 – 2024 Draft Budget
Department: Finance
Council Date: February 21, 2024

Recommendation:

Be it resolved that Council receive Staff Report FIN2024-005 for information; and
That Council direct staff to proceed with all necessary administrative actions.

Background:

Municipal Act, 2001 s. 290(1) requires a municipality shall:

“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”.

On November 15, 2023, Council passed the following resolution:

Be it resolved that the proposed 2024 Budget timeline be approved as presented.

The 2024 Budget timeline presented and approved contained the following timing:

Wednesday, November 15, 2023	1pm	Regular Council	Approve Budget timeline
Wednesday, January 17, 2024	9am	Special Committee of the Whole	Present first draft of consolidated budget for discussion and debate.
Wednesday, February 7, 2024	1pm	Special Committee of the Whole	Present second draft of consolidated budget with changes from first meeting.
Wednesday, February 21, 2024	9am	Special Committee of the Whole	Public Open Forum followed by discussion on final draft of 2024 budget.
Wednesday, March 6, 2024	9am	Council/ Committee of the Whole	Passage of the 2024 Budget.

On January 17, 2024, Council received Staff Report CL2024-001 as information which contained an amended the 2024 Budget timeline to delay the First Draft Presentation date from January 17, 2024, to February 07, 2024, which moved the Passage date for the 2024 Budget Presentation to March 20, 2024, from March 06, 2024. As a result, the timing for any Public Information Meetings was moved to March 2024 as follows:

Wednesday, November 15, 2023	1pm	Regular Council	Approve budget timeline
Wednesday, January 17, 2024	1pm	Regular Council	Approve amended budget timeline
Wednesday, February 7, 2024	1pm	Special Committee of the Whole	Present first draft of consolidated budget for discussion and debate.
Wednesday, February 21, 2024	9am	Special Committee of the Whole	Present second draft of consolidated budget with changes from first meeting.
Wednesday, March 6, 2024	1pm	Special Committee of the Whole	Public Open Forum followed by discussion on final draft of 2024 budget.
Wednesday, March 20, 2024	1pm	Council/ Committee of the Whole	Passage of the 2024 Budget.

Staff Comments:

The following are changes based on the direction of Council from Draft 1 from report FIN2024-003. See below for updated changes to the budget from Draft 1.

Township of Southgate 2024 Budget				
Levy Summary:				
	<u>2023</u>	<u>2024</u>	<u>Variance \$</u>	<u>%</u>
Operating Budget	\$ 7,035,599	\$ 8,252,072	\$ 1,216,473	17.3%
Capital Budget	2,998,049	3,042,600	44,551	1.5%
Total to Raise from General Taxation	\$ 10,033,648	\$ 11,294,672	\$ 1,261,024	12.6%
Supplementaries	\$ 490,000	\$ 406,000	(84,000)	-17.1%
Write-offs	(10,000)	-	10,000	-100.0%
Growth	\$ 480,000	\$ 406,000	-\$ 74,000	-15.4%
Budgeted Taxation	\$ 10,513,648	\$ 11,700,672	\$ 1,187,024	11.3%
Taxation based on Ending Assessments	\$ 10,483,065	\$ 11,294,672	\$ 811,607	7.7%
Non-Budgeted Growth	-\$ 30,583			
Budgeted Growth	\$ 480,000			
Total Growth	\$ 449,417		\$ 449,417	3.5%
			\$ 1,261,024	12.6%
Estimated Blended Residential Tax Rate Increase:				
	<u>2024</u>			
	<u>Est. Revenue Neutral</u>	<u>Proposed</u>	<u>% Increase</u>	
Southgate	0.894087%	0.962134%	7.6%	
County of Grey	0.380183%	0.404205%	6.3%	
Education	0.153000%	0.153000%	0.0%	
Total	1.427270%	1.519339%	6.45%	
Estimated Blended Residential Tax Rate Increase				

Financial Implications:

Earlier adoption of the 2024 Budget would allow staff to tender any projects sooner. Past experience has shown better pricing from suppliers/vendors is generally obtained from earlier tender releases.

Communications & Strategic Plan Impact:

Priority: Operational Excellence

Concluding Comments:

The draft 2024 Budget has a requirement from taxation of \$11,294,672, an increase of \$1,261,024 from the 2023 level. Staff has an estimate of a 1% increase in the blended tax rate of \$167,422 (2023 - \$150,753), including the approved 6.31% increase in the County tax rate and a no change in the Education Tax Rate. The increase of \$1,261,024 would result in approximately a 6.45% increase in the 2024 blended tax rate. Staff requested Council consider for approval the 2024 Budget on March 06, 2024.

Respectfully Submitted,

Dept. Head: *Original Signed By*

Taylor McMann, CPA, Treasurer

CAO Approval: *Original Signed By*

Dina Lundy, CAO

Attachment 1 – Presentation

Attachment 2 – 10-Year Capital Budget