

THE MUNICIPALITY OF LAMBTON SHORES

Report TR 01-2022

Council Meeting Date: January 6, 2022

TO: Mayor Weber and Members of Council
FROM: Janet Ferguson, Treasurer
RE: 2022 Draft Operating and Capital Budget
RECOMMENDATION:

THAT Report TR 01-2022 presenting the 2022 Draft Operating and Capital Budget is received for discussion.

SUMMARY

This report presents the Draft 2022 Operating and Capital Budget for Lambton Shores.

BACKGROUND

Staff begin the annual budget process in the fall, gathering information and referencing studies such as the Asset Management Plan, Roads Needs Study, Bridge Inspections or Recreation Master Plan as well as give consideration to the day to day operational needs of the Municipality.

The proposed Draft 2022 Budget has maintained the same format as last year showing two components, the Operating and Capital and within each component there are two sections that present the budget information, one for the Tax Supported Business Units and one for the User Rate Supported Business Units.

The Operating and Capital Budget Overview is followed by summary information and any pending decisions for items referred to budget discussions throughout the year. The Business Units are supported with a description of the functional area, changes over the previous year and detailed financial information.

The budget was prepared using the 2021 budget, historic spending with a 3 year average, planned projects and inflationary adjustments if necessary.

The tax supported annual allocation to the Capital Reserve Funds was increased by 2% over the 2021 allocation except where noted. As noted in the Capital Budget Overview, the capital projects are funded from the established infrastructure replacement reserve funds. However, where applicable, funding from third party grants or community fundraising is noted. Maintaining the contributions to reserve funds is essential for planning future asset replacements. Although the funds have been increased, the increase does not match that of the full recommendation from the AMP.

This budget provides for the resources required to maintain the operations and infrastructure for Lambton Shores. Any reference to tax impacts is related only to the Lambton Shores portion of property assessment and does not include the impacts of the other levels of taxation from the County and Education systems.

Following Council's consideration of the material provided in the budget binder, staff will be looking for a resolution to support the budget as presented or amended. Items noted as pending decisions have been numbered to enable a clear resolution and direction for staff.

Primarily, the New Initiatives and the items referred for Budget Consideration do not have a funding source identified. Council will have to determine a source of funding for any items they wish to move forward with.

Staff would appreciate any questions in advance of the meeting to ensure the pertinent information is on hand for the meeting.

Following the final approval of the budget, the budget by-law will be brought to Council to finish the process. Tax rates will not be set until the County Wide Tax Policy has been established which is typically April.

ALTERNATIVES TO CONSIDER

None

RECOMMENDED ACTIONS

THAT Report TR 01-2022 presenting the 2022 Draft Operating and Capital Budget is received for discussion.

FINANCIAL IMPACT

There is no financial impact by Council receiving this report.

This Draft Operating and Capital Budget as presented reflects an increase of \$217,667.00 in taxation or 1.67% over 2021.

The Municipal Property Assessment Corporation (MPAC); as directed by the Province, deferred the reassessment planned for the 2021 taxation year and recently extended the deferral to 2023. This means that the only change in assessment is as a result of real growth in Lambton Shores which is approximately 1.57% for residential assessment in 2022. This is on par with what was received in 2021.

As a result of this growth in the assessment base, this draft of the Operating and Capital Budget has been achieved with an estimated 0.26% change to the tax rate over the 2021 rate.

The budget documents do contain a number of other projects and operational items that Council may wish to consider. If Council wishes to consider the inclusion of currently unfunded projects or an increased contribution to reserves there will need to be an enabling increase to the tax rate. A chart showing the impact of increases has been provided in the Operating Budget Overview for consideration.

CONSULTATION

Steve McAuley, CAO
Stephanie Troyer-Boyd, Clerk
Lawrence Swift, Chief, Fire and Emergency Services

ATTACHMENTS

Operating Budget Overview
Operating Budget Summary
Operating Budget Pending Decisions
Capital Budget Overview
Capital Budget Project Listing
Capital Budget Pending Decisions
New Initiatives