

2022 OPERATING BUDGET OVERVIEW

The Lambton Shores 2022 Draft Budget is presented with established Business Units funded by both tax and user rate support. The tax supported component reflects a 0.26% tax rate change over the 2021 rate.

The Municipal Property Assessment Corporation (MPAC); as directed by the Province, will not be implementing a new reassessment in 2022 or 2023 to allow some relief from the COVID-19 impacts property owners may have. This was a continuation on from 2021. Lambton Shores was fortunate to have approximately 1.57% in new residential assessment growth throughout the year and this increase is reflected on the 2022 tax roll.

Detailed information on significant changes to the Business Units is outlined on the description pages provided in the budget binder. The budget was prepared using the 2021 budget, historic spending with a 3 year average, planned projects, inflationary adjustments as necessary, and any legislation changes.

The tax supported annual allocation to the Capital Reserve Funds was increased by 2% over the 2021 allocation to account for inflationary pressure. As noted in the Capital Budget Overview, the capital projects are funded from the established infrastructure replacement reserve funds or grants where possible. Maintaining the contributions to reserve funds is essential for planning future asset replacements and is supported by the Asset Management Plan.

Notable Revenue Increases

2022 is a Municipal Election year and therefore the budget reflects the 4 year cycle for funds from the Reserve Fund to cover election costs.

Protective Inspection and Control revenues for by-law infractions and building permits have been increased to reflect a 3 year average.

An amount has been budgeted for the COVID-19 response showing the funding to offset expenditures arising from the implementation of safety and Provincial regulations.

Under Transportation Services, the revenue for the aggregate grant has been increased to reflect actuals.

Revenue for garbage and recycle bins has been increased to reflect growth and the new fees from 2021.

Revenue from paid parking has been increased to reflect a 3 year average and the increase in rates that took place in 2021.

The water and wastewater revenues have been increased to reflect the rate increase for 2022.

Notable Revenue Decreases

The unconditional grant program Ontario Municipal Partnership Fund (OMPF) has decreased by \$34,700.00 over the 2021 allocation.

Penalty and Interest revenue for property tax accounts in arrears has been reduced. This is primarily due to many accounts being cleared up in 2021. This decrease is partially offset by increasing the revenue for carrying costs of local improvements to a 3 year average.

Drain maintenance and construction accounts have been adjusted to reflect actuals and the proposed drain billings. Although this doesn't affect taxation, it does show as a large shift.

Notable Expenditure Increases

The Draft 2022 Budget reflects the approved cost of living adjustment for wages of 1.88%.

The Finance contracted services have been increased to include an allocation to complete a Development Charges (DC) study as the current by-law expires at the end of 2022. This cost is offset by a transfer from the DC reserve fund.

The Fire financial transactions have now been consolidated in to one section, rather than having small budgets allocated to each fire station. Also, expenses have been included to do general facility maintenance such as painting.

Fire Services expenses have been increased to reflect changes as a result of implementing the Fire Master Plan recommendations.

The Policing costs for 2022 combined with the reconciliation of the 2019 billing reflect a minimal increase of \$2,416.00.

Protective Inspection and Control costs for By-law have been increased to accommodate additional part time resources to meet the seasonal demand.

The Water and Wastewater departments have an increase in expenditures primarily due to the increase in the transfer to the pertinent reserve funds.

Insurance rates will increase 15% in 2022 and although it sounds high, it is much lower than what most municipalities will receive at 20% – 30%.

Notable Expenditure Decreases

The transit program continues to grow and change. The 2022 budget has been updated to better reflect the actuals in 2021. There is no impact to the bottom line, as this program is currently fully funded by a Provincial grant.

A onetime cost addition of contracted services under the Compost Site in 2021 has been removed.

The arena canteen operations have been adjusted to reflect limited openings in response to safe re-openings and COVID-19.

The old Forest arena repair costs from 2021 have been removed. As per Council direction, staff will work with current user groups to determine the requirements for the facility and report to Council at a future meeting.

Summary

The Draft Operating Budget is estimated to result in a 0.26% change to the Municipal tax rate over the 2021 rate.

The draft budget documents also provide information related to a number of other operating and capital project expenditures that Council may choose to consider in addition to the base budget. The following chart indicates the impact to the tax levy should Council wish to add or remove items to the Draft Operating Budget:

Levy Change	Amount	2022 Draft Levy
		13,242,050.00
0.50%	66,210.25	13,308,260.25
1.00%	132,420.50	13,374,470.50
1.50%	198,630.75	13,440,680.75
2.00%	264,841.00	13,506,891.00
2.50%	331,051.25	13,573,101.25
3.00%	397,261.50	13,639,311.50