



**Meeting Date:** January 11, 2023

**Submitted by:** Tiffany Farrell, Director of Corporate Services

**Report No:** CPS-02-2023

**Subject:** Budget 2023

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**Recommendation:**

THAT Council approve Bylaw 2023-002 to adopt the current budgetary estimates for the year 2023;

AND THAT Council approve Bylaw 2023-003 to establish a levy for the year 2023, to adopt tax rates for 2023 and to provide for penalty and interest in default of payment and the collection thereof.

**Purpose:**

To formally adopt the 2023 budget and direct the setting of the 2023 tax rates.

**Background:**

The budget prepared by staff is the culmination of ongoing engagement on public priorities throughout the year starting with the strategic plan followed by master plans, public meetings, online engagement, and informal feedback. The budget is prepared taking into consideration input from the community and direction from Council.

Each year, Council approves an annual budget, made up of two parts:

- Operating Budget – Annual operations of municipal facilities and services, primarily funded through property taxes and user fees.
- Capital Budget – Capital program for all municipal projects, funded through taxes, water and sewer fees, development charges, debt, grants, or other reserve funds.

**Analysis:**

The Draft Capital and Operating budgets were presented to Council and the public in December of 2022. Since that time there have been no further questions from Council or the public.

Staff are presenting both the budget approval bylaw and tax rate bylaw for 2023; however, it is important to note that the County of Middlesex, as the upper tier municipality, has the ability to change the tax ratios and if this occurs the tax rates of Middlesex Centre would be adjusted. The County of Middlesex's 2023 budget is not expected to be passed until March/April 2023, therefore there is a delay on setting their taxes and the other tax policies for both the upper tier and lower tier municipalities. If the tax policies change, including the ratios, the property tax burden would shift as well. Middlesex Centre's amount to be raised would not change, however, tax rates in each class may be impacted. If this occurs, staff recommends repealing the tax rate bylaw and a new bylaw would be presented.

The 2023 budget booklet has been expanded to provide more information to Council and the public of Middlesex Centres financial position and budget process.

The final approved Budget Booklet for 2023 will be posted on the Municipal Website January 12, 2023.

Changes since it was presented December 7<sup>th</sup> and 14<sup>th</sup> of 2022:

- OCIF 2023 amount has been included in the budget.
- Conservation Authority amounts have been finalized; however the overall budget amount did not change.
- Meadowcreek Park – Replace Playground is now being financed from Cash in Lieu of Parkland for \$180,000 rather than Buildings and Facility Reserve Fund as per the changes arising from Bill 23.
- Westbrook Park Base Install was delayed in 2022 due to asphalt and an additional \$50,000 was added as a 2022 carry forward.
- Replacement of Ilderton Arena Ice Chiller was added to 2023 Budget for \$100,000 from 2024, with \$40,000 remaining in 2024 for this project.
- Some additional acronyms and definitions were included.
- More information on cash vs accrual budgeting was included.
- MPAC reports received, and phantom assessment information was added
- Final BMA Study was received, and information updated in financial key performance indicators section

### **Financial Implications:**

The 2023 levy increase is 6.16% (2022 – 6.39%), resulting in an increase in the 2023 residential tax rate of 2.50% (2022 – 2.76%).

## Strategic Plan:

This matter aligns with following strategic priorities:

The process of developing the budget and the final budget itself directly responds to:

- Responsive Government – Objective 5.3 – Foster a culture of innovation, continuous improvement, and cost-effective service delivery
  - By sharing information and gathering input, continuing our timely and effective communication to the public.
  - By reviewing and enhancing our processes
- Sustainable Infrastructure and Services – Objective 4.3 – Continue with our asset management plan and apply a financial sustainability lens to all municipal assets and infrastructure
  - By progressively updating our asset management plan and building the reserve funds for the timely repair/replacement of our assets, and expanding our current practice of making annual reserve fund contributions toward the cost of projected asset management expenditures
  - By communicating our approach to capital projects and communicating clearly with the public on capital spending priorities in terms of costs, benefits, funding sources and timing.
- Responsive Government – Objective 5.1 – Enhance Customer Service
  - By expanding opportunities for digital and on-line services.
- Responsive Government – Objective 5.2 – Foster a culture of mutual trust and respect within Council and between Council and staff
  - By reinforcing a common purpose among Council members and promoting teamwork between Council and staff.
- Sustainable Infrastructure and Services – Objective 4.1 – Improve safety for road users
  - By addressing road safety challenges and implementing existing traffic calming policies on Middlesex Centre roads.
  - Work collaboratively with Middlesex County to implement safety improvements in the Glendon Drive corridor.
- Sustainable Infrastructure and Services – Objective 4.2 – Expand existing services in accordance with the pace of new development, and apply a financial sustainability lens to all municipal services and programs
  - By analyzing and projecting the operating cost impacts of new residential development.

**Attachments:**

A1 2023 Draft Budget Book – January 11, 2023