



Niagara-on-the-Lake

2023 Budget

Presentation to Budget Committee
March 1, 2022

Agenda

- **Budget Process & Timelines**
- **Budget Overview**
- **Budget Principles**
- **2023 Draft Budget**
- **Community Partners**
- **Studies Overview**
- **Opportunities**
- **Next Steps/Questions**



2023 Budget

Wednesday March 1, 2023

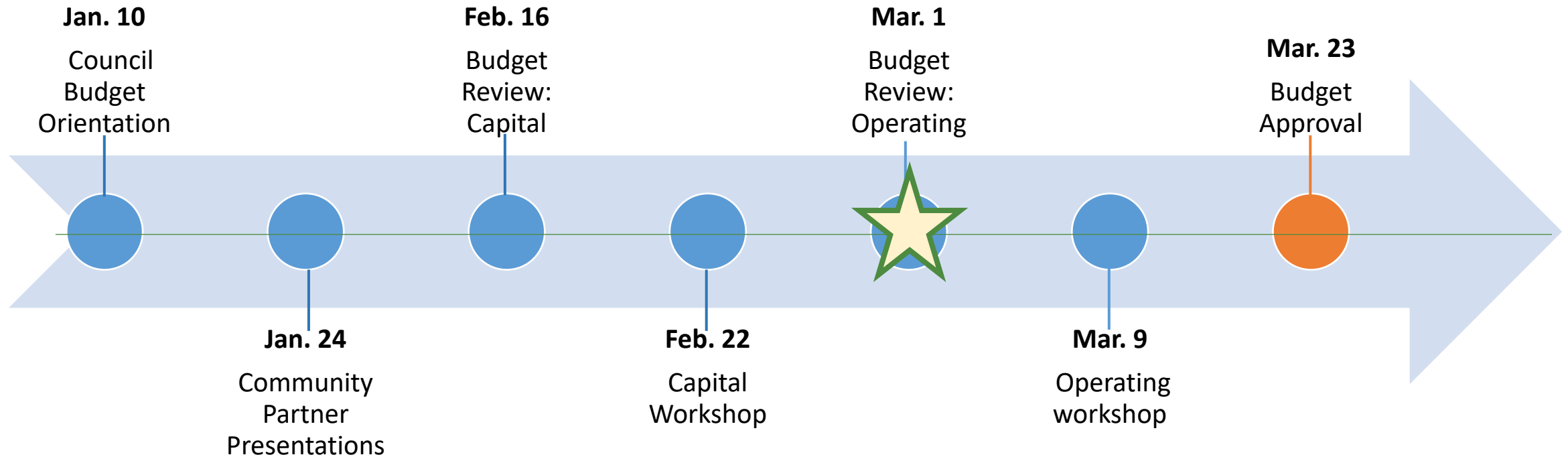


2023 Budget Overview - Process

Budget Committee

- Due to the election, the overall budget process has flowed differently.
- 2023 is on a compressed timeline. Normal Budget processes would have commenced in September of 2022, with a budget timeline being presented, direction being sought, and following an established flow of meetings (capital budgets in October, and Operating budgets in November, approval in January)

2023 Budget Timelines



** Additional Budget Review Workshops or 1 on 1's will be made available as per Council's direction*

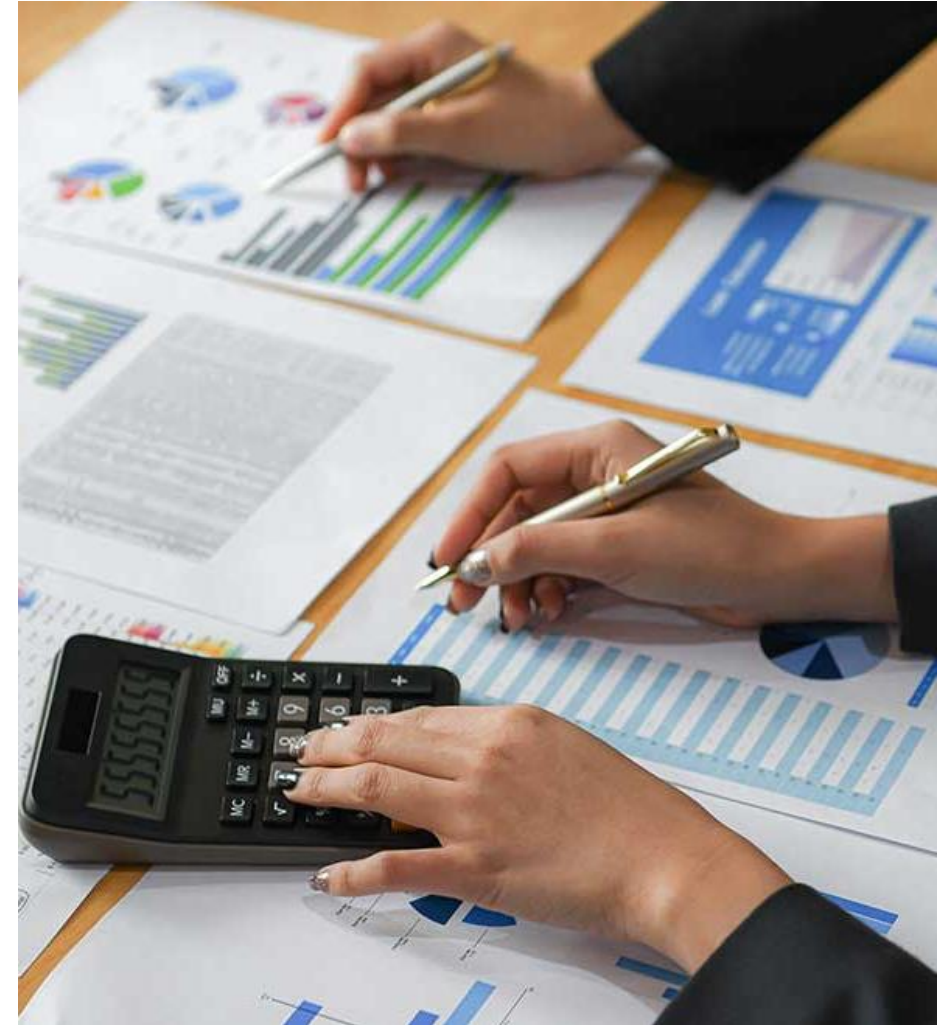
2023 Budget Overview - Guidance

- At this time no guidance has been provided due to the timing of the budget.
- Staff will provide different budget options, along with alternatives for potential reductions.



2023 Budget Overview – Key Factors

- An expenditure increase of **\$136,706** equates to a **1%** increase in the total tax levy (2022 = \$131,270)
- A **1%** increase to the tax levy equates to an approximate **\$12.23** increase to taxes annually (avg. assessment of \$541,000)
- Every **\$10,000** of expenditure added will result in an approximate **\$0.89** increase to taxes



2023 Budget Overview – Pressures

- **Inflation (+6.3%)**
 - Increased cost of contracts, supplies and materials
- **Insurance Increases (\$89 k)**
- **OMERS changes (\$150 k)**
- **Staff Salary / Volunteer Firefighter Compensation Increases**
- **One-time reserve transfers (\$672 k)**



2022/2023 Key Initiatives

KEY INITIATIVES to advance NOTL Council strategic priorities in 2023 (*Carry-forward examples*):

1. **Tourism Strategy and a Vibrant Economy**
2. **Niagara District Airport**
3. **Planning for Progress**
4. **Heritage Conservation District Expansion Study**
5. **Transportation Master Plan**
6. **Sustainable Budget**
7. **Environmental Stewardship (e.g. CCAP)**



2022/2023 Key Initiatives

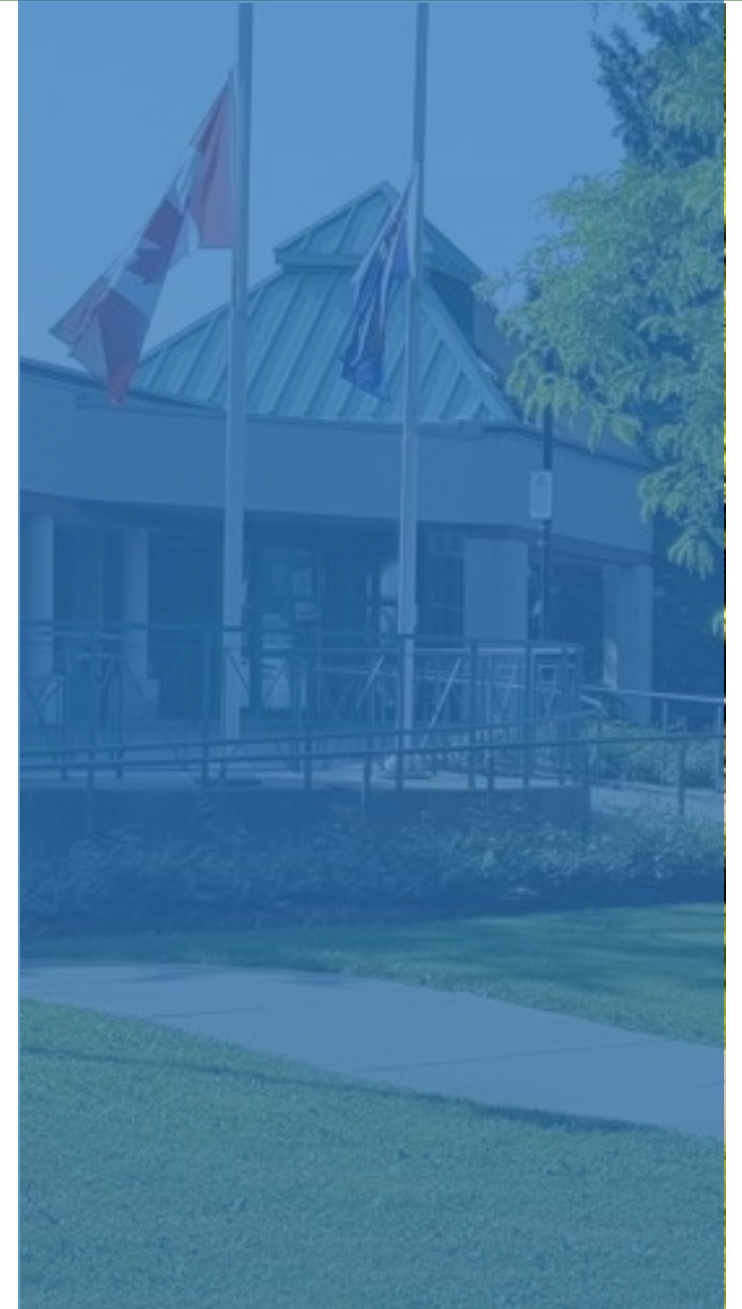
KEY INITIATIVES to advance NOTL Council strategic priorities in 2023 (*Examples*):

- ❖ **Update Council's Strategic Plan**



Budget Principles

- Protect and Maintain Town Assets (e.g. *Insurance, maintaining state-of-good-repair*)
- Deliver on current service levels (*look to set service level expectations for this term of Council*)
- Advance the priority initiatives of the Town (*refresh the Strategic Plan*)
- Minimizing the impact to taxpayers while optimizing service



Budget Summary – Levy Supported

Option 1 – \$91.22 per average assessment (7.46%)

- Capital Transfer remains status quo (no increase)

Option 2 (Current Draft) - \$104.63 per ave. assessment (8.56%)

- Additional \$150,000 Capital Transfer

Option 3 – \$124.98 per ave. assessment (10.22%)

- Additional \$300,000 Capital Transfer
- Two additional Positions:
 - Planning Students
 - Community Outreach & Events Coordinator

• In addition, Staff will show alternatives for potential further reductions.

2023 Proposed Tax Levy – Option 2

	2023	2022	\$ Change	% Change
General Levy Requirement	\$ 15,009,031	\$ 13,670,566	\$ 1,338,465	9.79%
Less: Assessment Growth	\$ 168,592		\$ 168,592	
Net Levy Requirement	\$ 14,840,439	\$ 13,670,566	\$ 1,169,873	8.56%
Taxes for an Average Residential Property	\$ 1,327.32	\$ 1,222.69	\$ 104.63	8.56%
Average Assessment for a Single Detached Home	541,000	536,960		

\$104.63 Tax Increase for the Ave. Household Assessment of \$541,000

Budget Summary – Levy Supported

Summary of Net Changes (Expenses less Revenues) - Levy Supported Departments

LEVY SUPPORTED (+ve = net expense/ -ve = net revenue)	2023 Proposed	2022 Approved	\$ Change on Budget	% Change on Budget	% Impact on Levy
100 - Municipal Purposes	118,967	31,823	87,144	273.8%	0.6%
120 - Council and Administration	669,412	586,378	83,034	14.2%	0.6%
130 - Corporate Services	3,127,916	2,136,538	991,378	46.4%	7.3%
250 - Fire & Emergency Services	2,103,151	1,938,451	164,700	8.5%	1.2%
300 - Operations - Public Works - Program Administration	2,011,460	1,872,117	139,342	7.4%	1.0%
310 - Operations - Public Works - Roads	373,367	427,575	(54,207)	(12.7%)	(0.4%)
320 - Operations - Public Works - Roads Maintenance	1,358,450	1,100,739	257,711	23.4%	1.9%
350 - Public Transit	(861,000)	(0)	(861,000)	(100.0%)	(6.3%)
450 - Community and Development	941,200	713,838	227,362	31.9%	1.7%
450 - By-Law Enforcement	268,512	267,809	703	0.3%	0.0%
550 - Library Services	839,467	786,278	53,189	6.8%	0.4%
650 - Operations - Parks Recreation & Facilities	3,553,140	3,186,442	366,699	11.5%	2.7%
740 - Street Lighting	504,990	622,581	(117,591)	(18.9%)	(0.9%)
Net Tax Levy (before growth)	15,009,031	13,670,566	1,338,465	9.79%	9.79%
Growth			(168,592)		(1.23%)
Net Tax Levy (after growth)			1,169,873		8.56%

2023 Proposed Storm Levy

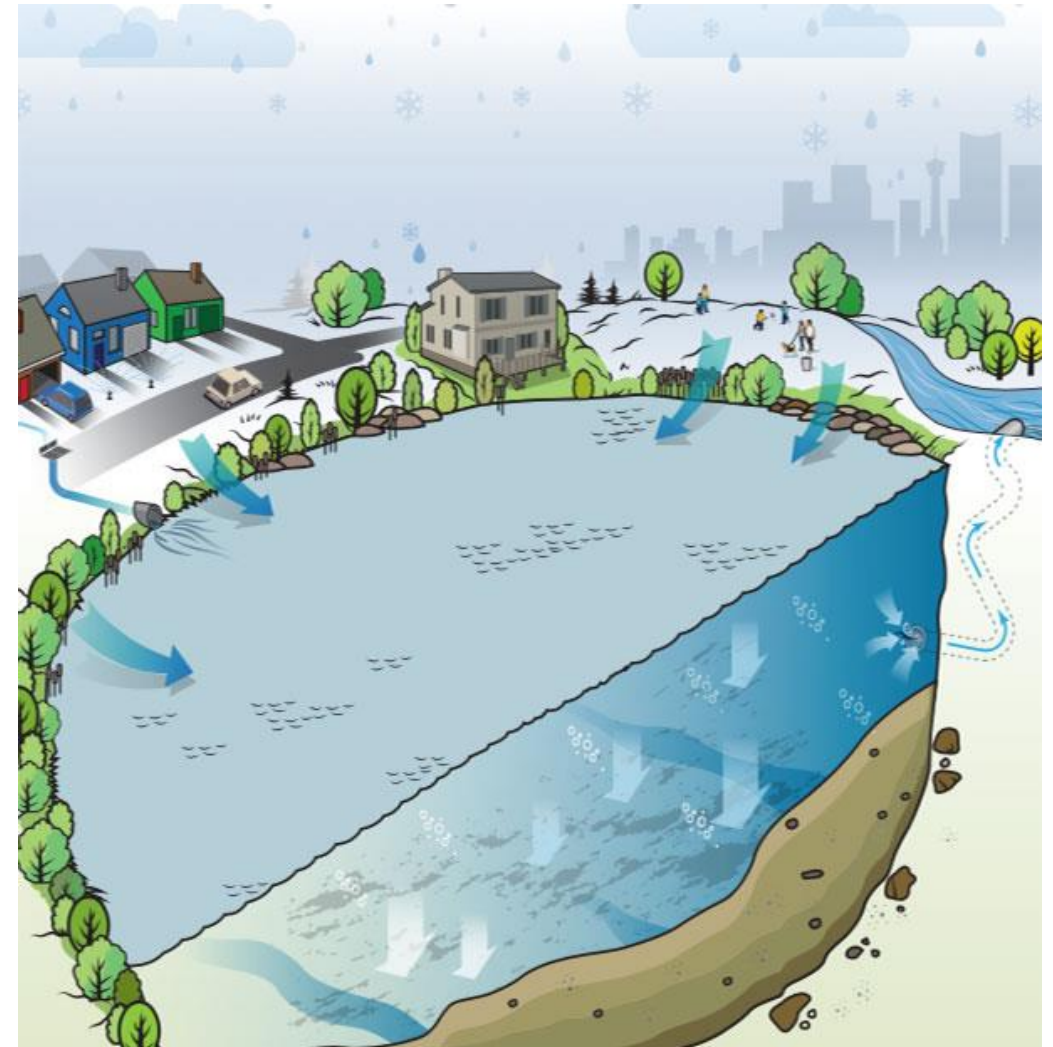
	2023	2022	\$ Change	% Change
General Levy Requirement	\$ 15,009,031	\$ 13,670,566	\$ 1,338,465	9.79%
Less: Assessment Growth	\$ 168,592		\$ 168,592	
Net Levy Requirement	\$ 14,840,439	\$ 13,670,566	\$ 1,169,873	8.56%
Taxes for an Average Residential Property	\$1,327.32	\$1,222.69	\$104.63	8.56%
Average Assessment for a Single Detached Home	541,000	536,960		
Storm Levy Requirement	1,270,139	879,443	\$ 390,696	44.43%
Total Taxes for an Average Residential Property	1,490.86	1,335.90	\$ 154.96	11.60%

+\$50.33 Tax Increase in Storm Levy for the Ave. Household Assessment for those in an urban area

Storm Investment

Why the increase to support the Storm Program is needed :

- Legislated requirement to do regular cleanouts of infrastructure and provide more in depth documentation and data collection that is subject to a compliance audit
- Maintenance and documentation obligations can now be fulfilled
- Allows the program to function as intended



Storm Investment

Why the increase to support the Storm Program is needed :

➤ **BC 2023-31**

- Cleaning and maintenance of two (2) Stormwater Management Ponds (Stone Creek Phase 1, SWM Pond 1)
- Restoration to proper functionality



2023 Community Partners Budget Requests

Community Partner/Local Board	2023 Request	2022 Approved	Change
Niagara District Airport (NDAC)	\$64,726	\$58,820	\$5,906
Chamber of Commerce	\$143,407	\$72,000	\$71,407
NOTL Museum	\$381,029	\$372,844	\$8,185
Library Board	\$839,467	\$786,278	\$53,189
Niagara College	\$20,000	\$20,000	\$0

2023 Community Partners Budget Requests

Community Partner/Local Board	Change	Funding Source
Niagara District Airport (NDAC)	\$5,906	Levy (0.04%)
Chamber of Commerce	\$71,407	Parking Revenues
NOTL Museum	\$8,185	- Parking Revenues - Capital Commitment of \$500,000, Funded from MAT (\$100k/year)
Library Board	\$53,189	Levy (0.39%)
Niagara College	\$0	Levy (0% - NC)

Discretionary Grants

- 2023 Draft Operating Budget includes a proposed **\$102,000**,
funded by Parking Revenues
- Discretionary Grant Program needs approval before moving forward
- All or nothing vs. partial approach
 - Partial approach recommended
 - Pros – Spreads out grant dollars to the most groups, considered a best practice, ensures all receive something.
 - Cons – The viability of some applications being delivered depends on receiving the full amount.

Discretionary Grants

- Timeline and approach
 - Budget Approval (March*)
 - Committee Formation – Appoint 3 Councillors (March/April)
 - Call for Applications (April)
 - Application Committee review (April/May)
 - Grant Award Report (May/June)
 - Disbursements (June/July)
- Staff are recommending that Fire Associations insurance be covered through the Discretionary Grant program (*July 2022 Motion*)*

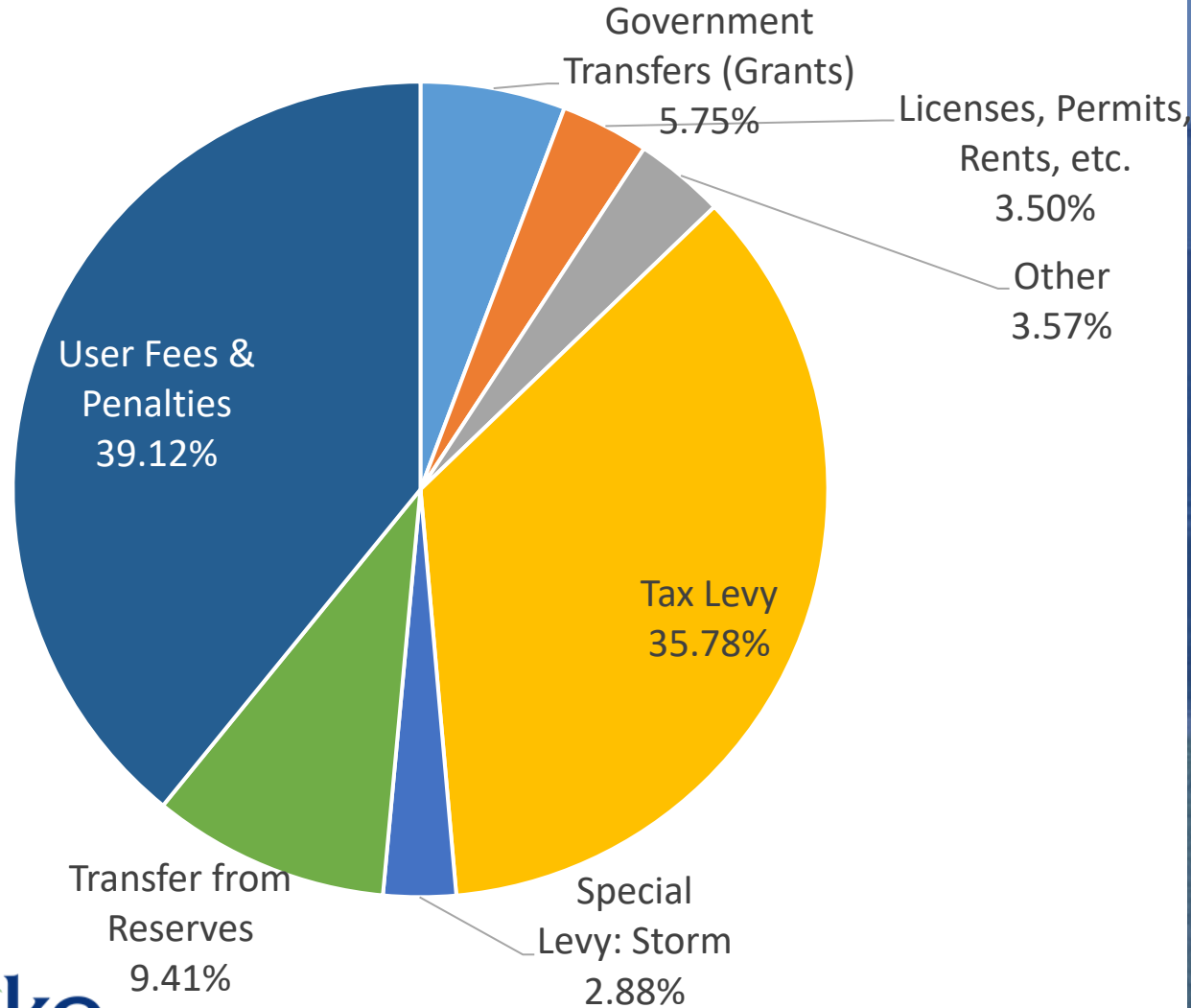
Budget Summary – Rate Supported

Summary of Changes - Rate Supported Departments

RATE SUPPORTED	2023 Proposed	2022 Approved	\$ Change on Budget	% Change on Budget
325 - Operations - Public Works - Agriculture & Reforestation	127,443	109,356	18,088	16.5%
330 - Parking Operations	2,380,400	2,176,100	204,300	9.4%
460 - Building Services	917,010	843,450	73,560	8.7%
700/710/720 - Environmental Services - Water & Waste Water	11,820,486	9,815,371	2,005,115	20.4%
Total Rate Supported	15,245,340	12,944,277	2,301,063	17.8%

Operating Budget – Revenues

2023 REVENUE SOURCES

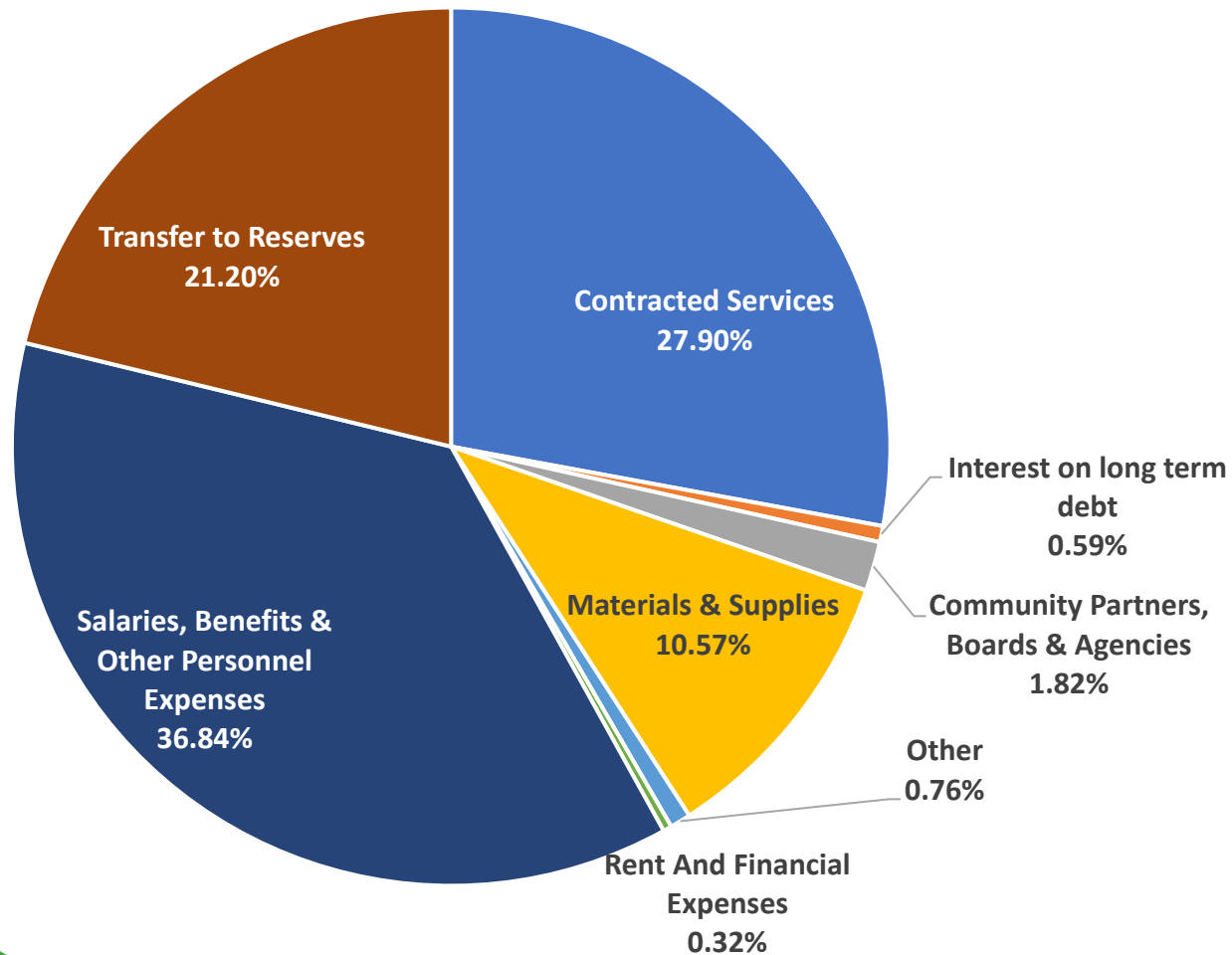


Operating Revenue Defined:

*Revenue associated with day-to-day provision of services.
Represents the annual funding sources required to support operating expenditures in order to deliver services and maintain infrastructure.*

Operating Budget - Expenses

2023 Budgeted Expenses



Operating Expense Defined:

*Expenditures associated with day-to-day provision of services.
Represents the annual cost to deliver services and maintain infrastructure.*

New Studies (2023) - Sample

- **Water Needs Study** – An update to the Town’s Water Distribution System Model Update, which identifies a phased Capital Works Plan for improving the distribution system.
- **Zoning By-Law (Additional Funds)** – Per business case 2023-26, an increase of \$75,000 to support the review of the Town’s Zoning By-Law, funded by the Capital Reserve.
- **Roads Needs Study** – Required to be completed every 5 years, the Roads need study provides updated condition assessment data on the Town’s Road System - \$40,000 funded from Capital Reserve
- **Bridge Needs Study** – Required to be completed every 2 years, the bridge needs study provides updated condition assessment data on the Town’s Bridges - \$35,000 funded from Capital Reserve

Transit Changes

- **Transit Operations:** Uploaded to the Region effective **January 1, 2023**.
 - Operations and budget setting will now be completed through the Niagara Regional Transit Commission.
- **Most lower-tier municipalities:** A portion of the budget transitions to Niagara Region (local budget reduced by their previously budgeted amounts and an equal amount in their operating levy).
- **Niagara-on-the-Lake:** The Region's tax requisition is increasing, but the amount is not coming off of the Town's Property Tax Levy. (Transit was not originally funded by property taxes in the Town's budget).
- **Transition:** Staff recommend that the Town's funding for transit – parking revenues, remain in the budget, and be transitioned out over a period of 10 years.

Parking Machines

BACKGROUND

- Parking Machines ceased accepting credit card payments on January 19, 2023
- Due to the Machines' age (now 10 years), upgrades aren't possible
- PCI standards must be met
- Higher standards are now in place
- The Town's current Parking supplier – CAME, has discontinued their parking line. *(Many vendors didn't survive through COVID)*
- Support for existing machines is limited.
- Coin is still accepted. Credit Cards can alternatively be accepted through Honk Mobile, a cloud application.

Parking Machines

REPLACEMENT

- Estimated replacement costs of machines are \$12,000 - \$15,000 per machine x 57 machines = **\$684,000 - \$855,000** estimated replacement cost.
- Based on available funds in the parking reserve, a full replacement is not currently feasible with a straight purchase (*financing and debenturing remain options*).
- Likely an 18-month procurement.
- Staff will gather more information about cost and potential replacement options.
- An option is to pilot a parking system without physical machines.

Revenue Generating Opportunities

- Review of User Fees – Cost Recovery
 - Recreation Fees
 - STR Fees
 - Special Event Fees
 - Patio Programs
 - AGCO Application Process
 - Utility Locates
- Facility/Land Opportunities – potential new revenue
- Expanding paid parking
- Community Sponsorship Opportunities

Expense Saving Opportunities

➤ Winter Control

- Sidewalks - Winter control report - \$20,000
- Review overall Levels of Service (LOS)

➤ Facilities/Land Optimization

- Several sites are aging and require significant investment to remain operational.

➤ Fleet Review

- Opportunities to review financial and environmental impacts
- Opportunity to review the impact of the new mechanic position

Next Steps



Conclusion





**Thank you.
Any Questions?**