



# **2024 Preliminary Budget Workshop**

October 24, 2023

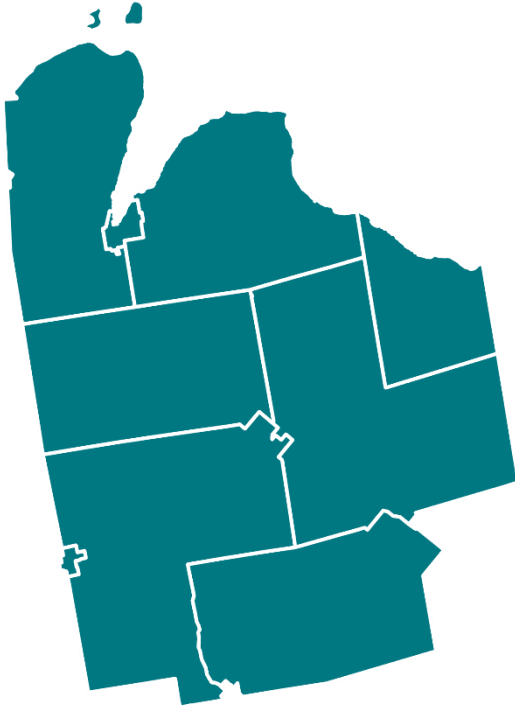
# Purpose of today's meeting

- ▶ Opportunity to discuss the preliminary 2024 budget figures and obtain feedback from Council
- ▶ 5 year review of departmental levy requirements
- ▶ Context for the 2024 budget including:
  - New initiatives
  - Reinstatement of expenditures removed from the 2023 budget
  - Unknowns, risks and assumptions
  - Impact of inflation
  - Assessment growth

# Our path to today

- ▶ Budget assumptions developed and provided by Finance, HR and IT
- ▶ Departments met with their finance lead August and September to develop budgets
- ▶ 24 meetings totaling approximately 44 hours with departments between September 25 and October 17 to review proposed operating budgets as well as 10 year capital forecasts with the first year included in the proposed 2024 budget

# Grey County at a Glance



**Size:** 4,508 km<sup>2</sup> (3<sup>rd</sup> largest by area in the Province)  
**Population:** 100,905 as of 2021 census  
**Average Age:** 45.9  
**Households:** 42,310  
**Regional Unemployment:** 4.2% (September 2023)

Households defined by Statistics Canada as person or group of persons permanent residence.  
The number of private dwellings in Grey County totals 50,183.

# 5 Year Net Levy Breakdown

	2020	2021	2022	2023	2024
Corporate Services	\$ 8,414,500	\$ 8,732,900	\$ 10,222,500	\$ 10,551,800	11,731,700
Health Care and Education Funding	\$ 2,118,700	\$ 2,131,700	\$ 2,300,200	\$ 1,693,400	\$ 2,518,200
Planning and Community Development	\$ 4,390,200	\$ 4,465,500	\$ 4,710,400	\$ 5,248,000	\$ 6,195,900
Social Services - Ontario Works and Childcare	\$ 3,523,400	\$ 3,276,800	\$ 3,354,200	\$ 3,446,800	\$ 3,579,500
Affordable Housing	\$ 7,180,200	\$ 7,792,600	\$ 7,871,100	\$ 8,143,300	\$ 8,776,300
Paramedic Services	\$ 7,219,500	\$ 7,498,900	\$ 7,797,700	\$ 8,259,900	\$ 9,172,200
Long Term Care	\$ 7,082,700	\$ 7,458,600	\$ 7,547,500	\$ 8,276,200	\$ 11,583,600
Transportation Services Function	\$ 19,880,700	\$ 20,985,800	\$ 21,555,400	\$ 22,313,300	\$ 24,354,600
Net Levy Required	\$ 59,809,900	\$ 62,342,800	\$ 65,359,000	\$ 67,932,700	\$ 77,912,000

# 5 Year Allocation of Net Levy

	2020	2021	2022	2023	2024
Township of Chatsworth	5.17%	5.10%	5.08%	5.06%	4.98%
Township of Georgian Bluffs	10.68%	10.60%	10.55%	10.52%	10.41%
Municipality of Grey Highlands	11.75%	11.64%	11.54%	11.52%	11.46%
Town of Hanover	4.91%	4.94%	4.89%	4.82%	4.76%
Municipality of Meaford	11.14%	11.03%	10.97%	10.89%	10.86%
City of Owen Sound	13.49%	13.32%	13.09%	12.88%	12.84%
Township of Southgate	5.87%	5.96%	5.99%	6.28%	6.42%
The Town of The Blue Mountains	27.04%	27.48%	27.98%	28.19%	28.57%
Municipality of West Grey	9.95%	9.93%	9.91%	9.84%	9.69%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

# Net Levy – Cost Per Private Dwelling (50,183)

	2020	2021	2022	2023	2024
Corporate Services	168	174	204	210	234
Health Care and Education Funding	42	42	46	34	50
Planning and Community Development	87	89	94	105	123
Social Services - Ontario Works and Childcare	70	65	67	69	71
Affordable Housing	143	155	157	162	175
Paramedic Services	144	149	155	165	183
Long Term Care	141	149	150	165	231
Transportation Services Function	396	418	430	445	485
Net Levy Required Per Household	1,191	1,241	1,303	1,355	1,552

# Net Levy – Cost Per Household Based on Private Dwelling

	2023 Net Levy Cost Per Household	2024 Proposed Net Levy Cost Per Household	Increase
Corporate Services	\$ 210	\$ 234	\$ 24
Health Care and Education Funding	\$ 34	\$ 50	\$ 16
Planning and Community Development	\$ 105	\$ 123	\$ 18
Social Services - Ontario Works and Childcare	\$ 69	\$ 71	\$ 2
Affordable Housing	\$ 162	\$ 175	\$ 13
Paramedic Services	\$ 165	\$ 183	\$ 18
Long Term Care	\$ 165	\$ 231	\$ 66
Transportation Services Function	\$ 445	\$ 485	\$ 40
Net Levy Required Per Household	\$ 1,355	\$ 1,552	\$ 197



# Draft Net Levy Requirement

2024 Levy Increase Over 2023 Approved Budget	\$9,979,300
Less: Estimated New Assessment Growth	(\$1,636,438)
Add: Estimated Decrease in Multi-Residential Tax Ratio	\$101,016
Less: Estimated Tax Ratio Adjustment Owen Sound	(\$11,600)
2024 Budgetary Levy Increase Net of New Growth	\$8,432,278

# Continuing Initiatives in the 2024 budget

A number of initiatives have been undertaken over the past 5 years that have provided a framework for the future that include:

- ▶ Departmental reviews
  - Finance
  - HR
  - Transportation Services
- ▶ Climate Change Action Plan
- ▶ Communications Strategy
- ▶ Strategic Plan Initiatives

# Restoration of Prior Year Reductions

- ▶ Health Care Funding Contribution  $\frac{3}{4}$  of 1% prior year's net levy \$509,500
- ▶ Affordable Housing Contribution – increase contribution to 1% of prior year's net levy \$25,100

# New Initiatives in 2024 Budget

- ▶ Redevelopment of Rockwood Terrace \$600,000
- ▶ Implementation of Paramedic Services Operational Review \$489,400 (annually for 11 years)
- ▶ Implementation of Information Technology Strategic Plan
- ▶ Implementation of new Human Capital Management (HCM) software
- ▶ Recommended increase to staff complement

# Unknown Risks and Assumptions

# External Funding

- ▶ OCIF Funding (Assume same as last year – 2024 allocation could be +/- 15%) \$456,300
- ▶ CCBF (Gas Tax) Funding
  - Unknown allocation for 2024 (budget assumes same as 2023)
- ▶ Long Term Care
  - Case Mix Index (CMI) unknown for April to December 2024
  - Direct Care Staffing Supplement Allocation – unknown for April to December 2024
  - Rockwood Terrace Redevelopment - Construction Subsidy Top Up

# External Funding Continued

- ▶ Paramedic Services
  - Requested Ministry additional base funding for Community Paramedic and SOS programs to meet the needs of the community and to fund inflationary increases
  - Lack of Ministry inflationary funding for 911 funded program
- ▶ Provincial Offences – Decreasing revenue and shift in responsibilities
- ▶ Transit Funding – lacks provision for inflationary increases

# External Funding Continued

- ▶ Children's Services – the funding model for 2024 is unknown, the budget is based on 2023 funding
- ▶ Ontario Works – funding decrease of \$163,800
- ▶ Health Unit – provincial funding changes resulting in an increased municipal contribution
- ▶ Business Enterprise Centre – program under review



# Impacts on 2024 Budget - Inflation

	2020	2021	2022	2023	2024
<b>Net Levy Required</b>	\$ 59,809,900	\$ 62,342,800	\$ 65,359,000	\$ 67,932,700	\$ 77,912,000
% Increase	4.5%	4.2%	4.8%	3.9%	14.7%
<b>Annual Inflation Rate – Canada % Increase</b>	0.72%	3.4%	6.8%	4.12%****	
<b>Consumer Price Index *</b>	138.4	143.2	152.9	158.5 **	
% Increase	0.65%	3.47%	6.77%	3.66%	
<b>Non-Residential Building Construction Price Index (NRBCPI) Q4</b>	122.10	129.30	148.10	152.30 ***	
% Increase	2.19%	15.34%	14.54%	8.09%	

\* Stats Canada, annual average, not seasonally adjusted – all items

\*\* 2023 CPI at September 2023

\*\*\* NRBCPI as of Q2 2023

\*\*\*\*Average Monthly Inflation January to September 2023

# Impacts on 2024 Budget Rising Costs of Construction

	2020*	2023	Increase
<b>Asphalt Cement Price Index</b>	\$745 per tonne	\$1,214 per tonne	63% Total Increase 17.7% Compounded per year
<b>Fuel Rate Index</b>	\$0.89 / litre	\$1.50 / litre	69% Total Increase 19.0% Compounded per year
<b>Project Unit Rates for Pulverize and Pave Projects</b>	\$375,000 per km	\$520,000 per km	39% Total Increase 11.5% Compounded per year

- Unit pricing that fed the 2021 Asset Management Plan Calculations
- Information provided by Transportation Services

# Impacts on 2024 Budget

- ▶ Cost of Living Allowance (COLA)
- ▶ Non-Union Market Results and Pay Equity Adjustments
- ▶ Group benefit renewal (April 2024)
- ▶ Collective Agreements- ratified and outstanding
- ▶ Annualized Full Time Equivalents (FTEs) – full year impact of 2023 positions budgeted to start mid year
- ▶ Proposed new FTEs
- ▶ Leap Year

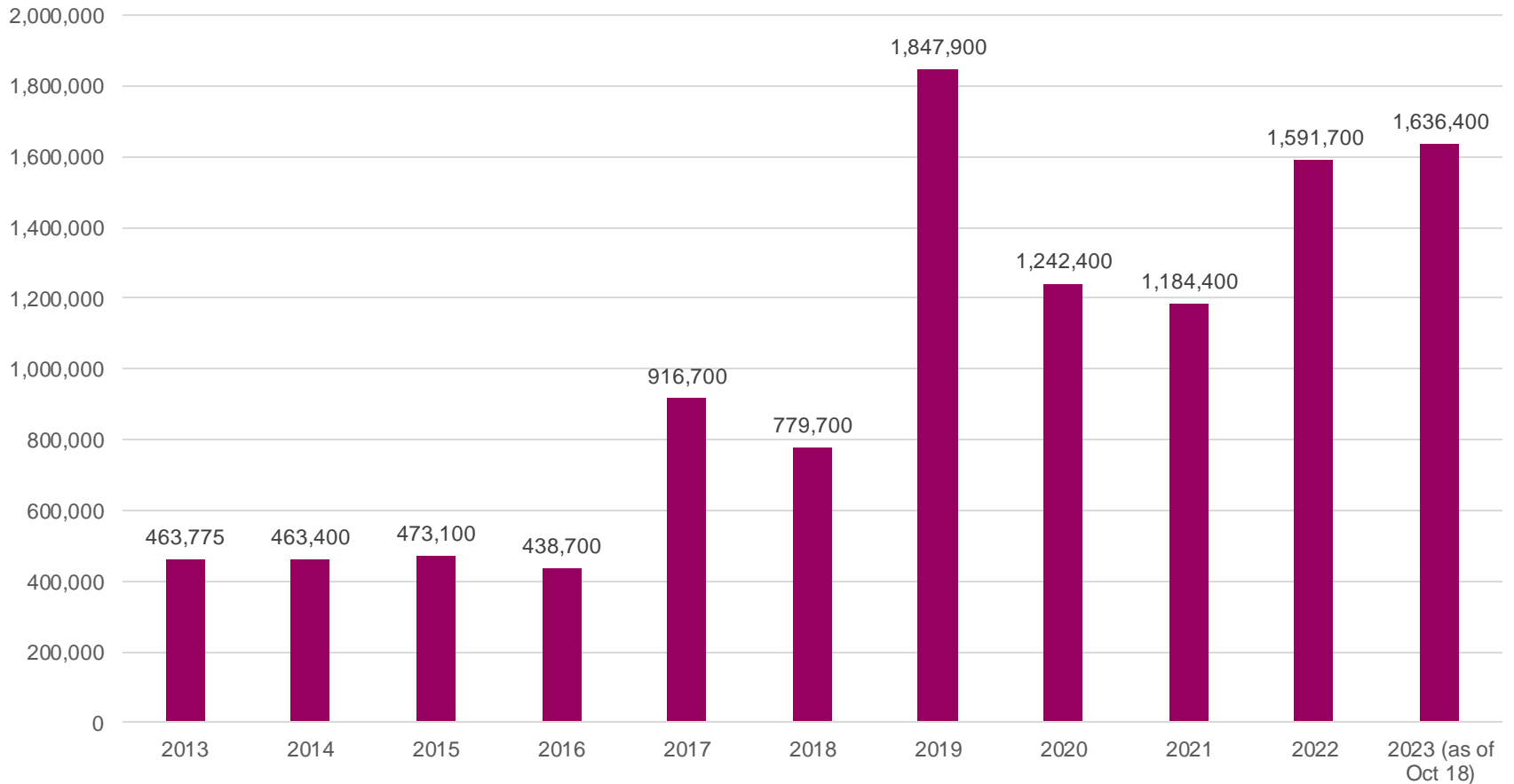
# Budget Risks/ Assumptions - Other

- ▶ Insurance renewal costs unknown (estimated based on historical increases)
- ▶ Road Exchanges – not reflected in current budget
- ▶ Expectation that the reduction of Provincial Fuel Tax will continue
  - Reduction of 6.4 cents per litre – expires Jan 1, 2024
- ▶ Staff will estimate growth as of October 31 for the 2024 budget documents
- ▶ Multi-Residential tax rate ratio was reduced in 2023, by  $\frac{1}{4}$  of the movement required to equalize the treatment of all residential classes. Tax policy for 2024 will recommend a further  $\frac{1}{4}$  movement.

# 2024 Assessment Growth

- ▶ Assessment growth on October 18<sup>th</sup> - \$1,636,438
- ▶ Estimated Net Decrease in Multi-Residential Tax Ratio \$101,016
- ▶ 1% Levy increase = \$694,600

# Historical Assessment Growth in Dollars



# Historical Net Levy as a % of Total

	2020	2021	2022	2023	2024
Corporate Services	14.07%	14.01%	15.64%	15.53%	15.06%
Health Care and Education Funding	3.54%	3.42%	3.52%	2.49%	3.23%
Planning and Community Development	7.34%	7.16%	7.21%	7.73%	7.95%
Social Services - Ontario Works and Childcare	5.89%	5.26%	5.13%	5.07%	4.59%
Affordable Housing	12.01%	12.50%	12.04%	11.99%	11.26%
Paramedic Services	12.07%	12.03%	11.93%	12.16%	11.77%
Long Term Care	11.84%	11.96%	11.55%	12.18%	14.87%
Transportation Services Function	33.24%	33.66%	32.98%	32.85%	31.26%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

# Net Levy Requirements Impacts

2024 Levy Increase Over 2023 Approved Budget	\$9,979,300
Less: Estimated New Assessment Growth	(\$1,636,438)
Less: Estimated Decrease in Multi-Residential Tax Ratio	\$101,016
Add: Tax Ratio Adjustments Owen Sound	(\$11,600)
2024 Budgetary Levy Increase Net of New Growth	\$8,432,278
2024 Budgetary Increase over the 2023 Approved Budget	12.12%



# Impact to Property Classes

	2023 Levy Raised	2024 Levy Raised	Difference	% of Total Levy Raised
Residential	\$ 56,158,219	\$ 64,303,693	\$ 8,145,474	81.62%
Multi-Residential	\$ 1,448,879	\$ 1,539,589	\$ 90,710	0.91%
Commercial	\$ 5,198,463	\$ 6,073,276	\$ 874,813	8.77%
Resort Condominium	\$ 904,619	\$ 1,014,746	\$ 110,127	1.10%
Industrial	\$ 1,376,813	\$ 1,702,717	\$ 325,904	3.27%
Farm Lands	\$ 2,469,823	\$ 2,833,887	\$ 364,064	3.65%
Managed Forests	\$ 179,045	\$ 208,676	\$ 29,631	0.30%
Pipeline	\$ 196,926	\$ 235,503	\$ 38,577	0.39%
<b>Total Net Levy</b>	<b>\$ 67,932,700</b>	<b>\$ 77,912,000</b>	<b>\$ 9,979,300</b>	<b>100.00%</b>

# Impact by Municipality

Municipality	Average Assessment - Single Detached Home	2023 County Levy	2024 Draft County Levy	Increase
Grey County	290,000	\$1,102.53	\$1,236.75	\$134.22
<b>Lower Tiers</b>				
Owen Sound	222,000	\$844.01	\$946.75	\$102.75
Hanover	225,000	\$855.41	\$959.55	\$104.14
Chatsworth	252,000	\$958.06	\$1,074.69	\$116.63
West Grey	266,000	\$1,011.29	\$1,134.40	\$123.11
Grey Highlands	270,000	\$1,026.49	\$1,151.46	\$124.96
Southgate	276,000	\$1,049.31	\$1,177.05	\$127.74
Meaford	279,000	\$1,060.71	\$1,189.84	\$129.13
Georgian Bluffs	298,000	\$1,132.95	\$1,270.87	\$137.92
Blue Mountains	559,000	\$2,125.22	\$2,383.94	\$258.72

# Next steps

- ▶ Budgets finalized and published on County website December 1
- ▶ First budget meeting December 8
- ▶ Second budget meeting December 15
- ▶ Pass budget by-law January 11
- ▶ Discuss tax policy and pass policy by March 31



# Questions?