

---

**Submitted by:** Diane Larder, Director of Finance

**Report No:** 2023-160

**Council Meeting Date:** Regular Council - 06 Dec 2023

**Subject:** 2024 Budget

**File:** F05-2022

---

**RECOMMENDATION:**

- 1. That Report 2023-160 be received as information**
- 2. AND THAT Council approve the amendments to the 2024 Budget**
- 3. AND THAT Council adopt the 2024 Budget**

**BACKGROUND & COMMENTS:**

Staff presented the overall 2024 Draft Budget for Council consideration at the November 15, 2023 Council meeting as per Report 2023-145. The 2024 Draft Budget presented a tax levy requirement of \$11,558,499.

At the November 15, 2023, Report 2023-149 presented to Council amendments to the 2024 Capital Budget. The report recommended removal of specific projects to remove the deficit that was presented within the reserve continuity schedule. During budget discussions, Council had put forth several resolutions to amend the 10-year capital plan.

The 2024 capital budget has been amended to include the following:

Resolution 31-11-2023

1. EV charging stations for the ZMC in the 2024 budget on condition that a grant for at least 60% of the cost be awarded.
2. Solar panels for the ZMC in the 2025 budget following an assessment of energy requirements for 1 full year unless there are grant opportunities in 2024

Resolution 30-11-2023

THAT Council direct staff to add the disc golf project in the 2024 Capital Budget Plan;

Resolution 33-11-2023

THAT the \$30,000 budgeted for a recreation fees review by an outsider consultant be included in the 2024 capital budget;

AND THAT Council direct staff to transfer \$30,000 less to reserves as per report 2023-149.

Report 2023-145, "2024 Operating Budget" was presented by staff to Council for consideration. During budget deliberations, a number of resolutions have been brought forward as part of the 2024 Budget.

Resolution 22-11-2023

THAT Report 2023-146 be received and filed;

AND THAT Council approve the amended Recreation Fees By-law presented in Report 2023-095 with the following adjustments:

- a) that the Minor Sports Organizations ice rental rate would revert to the original 4.1% increase from the reduced 2.1% increase to reflect that the proper notice is now being given in relation to the programming schedule
- b) that the ice rates be in effect from September 1, 2024 until August 31, 2025
- c) all other rates and fees to be in effect from January 1, 2024 until December 31, 2024

AND THAT the 2024 Operating Budget be updated to include the increased revenue projections.

The increase in rates as outlined in resolution 22-11-2023 have projected an increase of an additional \$11,950 in rental revenue and has been included in Table A; amendments to the 2024 Draft Budget.

Resolution 28-11-2023

THAT because the increase in wages, vacation pay, and employer contribution for general recreation and the TDRC and ECC staffs total \$327,640 in the proposed 2024 operating budget, equaling 40% of the total operating budget increase, staff provide Council with a report detailing the reasons for this increase at the December 6, 2023 Council meeting.

Staff have reviewed the wages as provided by Council resolution and during the review, staff also revisited the number of hours needed by staff to run the various programs and facilities and have found savings after further review was completed. These savings have been brought forward in Table A as part of the amendments to the 2024 Draft Budget.

Included in Table A is the adjustment to all wages to a payroll cycle of 26 payrolls plus 1 day for Feb 29th. With the change to the correct pay cycle, the transfer from reserves has been removed, as the need to fund an extra pay cycle is not projected in the amended budget.

Table A outlines the amendments made to the 2024 Capital and Operating Budgets.

<b>Category</b>	<b>Proposed 2024 Budget Amount</b>	<b>Amended 2024 Budget Amount</b>
<b>Operating</b>		
General Government (Wages & Benefits)	\$1,008,551	\$992,831
Fire Services (Wages & Benefits)	\$159,013	\$154,400
ByLaw (Wages & Benefits)	\$88,651	\$86,318
Recreation - General (Wages & Benefits)	\$419,426	\$351,205
Thamesford District Recreation Centre (Wages & Benefits)	\$380,832	\$253,933
Embro Community Center (Wages & Benefits)	\$291,417	\$226,022
Public Works (Wages & Benefits)	\$1,313,734	\$1,282,125
Transfer from Reserves	(\$125,000)	\$ 0.00
Rental Revenue Increases - Recreation	(\$554,200)	(\$571,150)
<b>Capital</b>		
Entry System Upgrade	\$0.00	\$20,000
Transfer from Facility Reserve	\$0.00	(\$20,000)

The amendments outlined in Table A have been proposed within the 2024 Operating and Capital Budget either by resolutions by Council or by Staff to address issues that have been discovered during the budget process.

All facilities within the Township have an electronic entry system that is outdated and parts are not available if any of the facilities were to go down at any given time. This would require the entry access to the building to be either changed to a manual keyed system or an upgrade to a new electronic entry system. Both Zorra Maintenance Facility (ZMF) and Zorra Municipal Center (ZMC) have been set up with an updated new entry access system. These new systems differ from the current outdated system that is in place for our remaining facilities. Staff are requesting that an additional \$20,000 be included in the budget to upgrade the current outdated entry system to that of the same system that our new buildings are set up and eliminate any potential downtime due to malfunction.

With the amendments proposed as outlined in Table A, these changes will decrease the 2024 Budget tax levy requirement to \$11,345,263, to a 9.60% increase.

### **2024 Preliminary Assessment and Tax Analysis**

The information contained in this report is to inform how preliminary assessment growth in the current budget year will impact the distribution of tax to be levied to taxpayers in the new year. As the assessment data is preliminary, it is subject to change at the time the final roll for 2024 tax purposes is received in December 2023. This information has no impact on the Township's budget or tax levy; instead, it reflects a preliminary indication of how the Township's budget and tax levy will be distributed among the various property classes and average properties based on assessment values. Considering there is no phase-in of reassessed values, with 2023 tax being based on full current value assessment (CVA) of the January 2026 property values, changes to the roll for 2024 will only reflect assessment generated by new and improved property, net of any deletions that may have occurred in 2023. The assessment and tax revenue data referenced in this report is based on information by the Municipal Property Assessment Corporation (MPAC).

The information contained in the report illustrates growth-related implications recorded to date to the Township's assessment for 2024 taxation and does not include market changes and the phase-in program that are typical annual adjustments as the Province delayed implementation of the four-year assessment cycle that was to be implemented in 2021 due to economic pressures caused by COVID-19. On August 16, 2023, the Ontario government filed a regulation to amend the Assessment Act, extending the postponement of a province-wide reassessment to 2024.

Property assessments for the 2024 property tax year will continue to be based on January 1, 2016, current values. This means that property assessments will remain the same as it was for the 2023 tax year unless there have been changes to the property. These changes can be an addition, new construction or renovation, or change in property classification, as a few examples.

The analysis contained in this report is based on the use of tax rates for the Township's general purposes only. Education tax rates and the upper tier (Oxford County) tax rates have not been included. The tax ratios used for this report have not been set for 2024, and 2023 ratios have been used at the time of this report for calculation purposes only.

The preliminary assessment for 2024 for the Township is \$3,243,367,009 an increase of \$97,569,500 at the time of this report. Provided is a breakdown of the growth for the Township from MPAC as of November 2023.

**ESTIMATED GROWTH REPORT - ROLL EDITION**

AO 23 3227 ZORRA TOWNSHIP

November, 2023

**Estimated Growth by Property Code - Summary**

Property Code Category	2022 Roll for Tax Year 2023		During Tax Year 2023		Growth Estimate	Growth %
	Property Count	2016 CVA	Property Count	2016 CVA Estimate		
Commercial	108	40,829,900	109	41,212,900	383,000	0.94
Farm	1,364	2,177,030,800	1,367	2,218,136,800	41,106,000	1.89
Industrial	118	185,244,300	115	203,516,300	18,272,000	9.86
Multi-Residential	3	3,599,000	3	3,522,000	-77,000	-2.14
Residential	2,443	733,836,009	2,549	771,724,509	37,888,500	5.16
Special/Exempt	24	5,257,500	24	5,254,500	-3,000	-0.06
<b>Total</b>	<b>4,060</b>	<b>3,145,797,509</b>	<b>4,167</b>	<b>3,243,367,009</b>	<b>97,569,500</b>	<b>3.10</b>

Included in this increase is the reassessment of gravel pits, the projected assessment increase for gravel pits is to be \$26,504,600.

Staff have provided for Council within this report, two options on how to utilize the forecasted growth and the impact on the tax rate.

**Option 1:**

Growth of \$97,569,500 (includes growth of all current value changes)

2024 Tax Levy Requirement total \$11,345,263

Projected preliminary tax rate of 0.00620800

Increase of 5.68% over 2023 tax rate of 0.00588043

**Option 2:**

Growth of \$71,064,900 (excludes gravel pit reassessment)

2024 Tax Levy Requirement total \$11,620,513

Transfer to Reserves for future road projects and the tax stabilization of \$275,250

Projected preliminary tax rate of 0.00635861

Increase of 8.13% over 2023 tax rate of 0.00588043

Staff are recommending that Council consider Option 2; funds generated from the increase in gravel pit assessment be transferred into a reserve to fund future road projects and a portion to the tax stabilization reserve to help medicate any potential write offs due to the outstanding appeals that are currently in process.

Table B illustrates the potential increase in taxes on the Township's portion of an average residential home valued at \$275,000.

Table B: Preliminary Tax implications on the average residential property

Description	Value of Property	2023 Taxes	2024 Taxes	Increase
Option 1:	\$275,000	\$1,617	\$1,707	\$90
Option 2:	\$275,000	\$1,617	\$1,748	\$131

When the final roll has been released by MPAC to the Township, staff will provide a further report to Council of further tax analysis as information.

Staff will provide Council with an updated 2024 Budget and 10-year capital plan of the amendments to the December 20th and the 2024 Budget By-law.

#### FINANCIAL IMPLICATIONS:

The amendments considered during budget discussions adjusts the 2024 Draft Budget tax levy requirement to \$11,345,263; an increase of 9.60%.

#### LINK TO STRATEGIC PLAN:

##### Goal:

We are an engaged community that values all members and actively encourages involvement, engagement, openness and transparency.

##### Action:

Provide accountability and transparency.

##### Approved By:

Diane Larder, Director of Finance  
 Don MacLeod, Chief Administrative Officer  
 Karen Martin, Director of Corporate Services

##### Status:

Approved - 30 Nov 2023  
 Approved - 30 Nov 2023  
 Approved - 30 Nov 2023