

# 2022 Budget Deliberations: Treasurer's Progress Review



January 31, 2022  
Finance and Labour Relations Committee

# Today's Objectives

- To continue Council deliberations around the 2022 draft budget, starting with a summary of approved changes to date
- To continue the review the divisional budgets, obtaining any necessary information from staff for specific line items, and deliberating on any items requiring discussion by Council
  - Includes update requested on Airport Capital
  - Includes information requested on status of long-term debt
  - Includes information requested on duties of climate change coordinator
- Final review of capital project listing being proposed for 2022
- Ultimate recommendations from the Finance Committee to bring the 2022 draft budget as amended to the upcoming Council meeting.



# Updates

- Changes from previous meetings have been made to the City's financial systems internally
- Additional amending items for this meeting:
  - Airport – Tree Trimming- activity only occurs every other year and approximate cost is \$20,000
  - Annual budget is \$10,000, therefore, requesting increase to expense line of \$10,000 and transfer from reserve line to fund it
  - When the 10-year capital forecasts were created, they mainly focused on core assets that are part of the asset management plan or are growth-related and supported by Development Charges



# Updates - Airport

- The 10-year forecast for the airport also included initiatives identified through the Service Delivery Review which are somewhat more focused on strategic priorities, rather than maintaining existing service levels
- Included in this package is a revised 10-year forecast reflecting the removal of the 'future considerations', reducing 10-year capital from \$4,675,000 to \$2,500,000
- Based on this, the Airport's transfers to reserves do support sustainable funding for planned replacements at the current asset and service levels
- As we move forward with asset management discussions, we will attempt to differentiate these a bit better for clarity in the 10-year forecast to reduce confusion around 'what must we do to maintain current infrastructure?', 'what projects are growth-driven?' and 'what projects should we consider for the future service level?'



# Updates – Long-Term Debt

		Initial Loan Balance	Initial Loan Date	Final Maturity Year	Interest Rate	Balance at Dec 2021
1	Multi Purpose	11,000,000	2/27/2003	2022	3.08%	141,254
2	Multi Purpose	3,000,000	7/24/2005	2025	1.95%	684,669
3	U of Waterloo	2,000,000	4/28/2015	2025	2.49%	723,151
4	U of Waterloo	1,500,000	4/28/2015	2035	2.51%	1,081,559
5	U of Waterloo	1,500,000	4/28/2015	2035	2.80%	1,090,233
6	U of Waterloo	4,550,000	4/28/2015	2040	2.84%	3,633,760
7	U of Waterloo	4,500,000	4/28/2015	2040	2.88%	3,597,657
Bank		28,050,000				10,952,282
8	Internal Loan	5,897,975	12/31/2019	2029	3.00%	4,853,574
Internal		5,897,975				4,853,574



# Updates – Long-Term Debt

		Initial Loan Balance	Initial Loan Date	Final Maturity Year	Interest Rate	Balance at Dec 2021
9	Ontario St Improvements Phase I Sanitary & Storm Projects;	1,340,000	9/15/2004	2024	2.78%	201,000
10	Roads; Recreation	5,500,000	12/1/2009	2024	4.28%	1,100,000
11	Industrial Park Expansion, Dufferin Arena Renovations, Allman Arena, Sanitary Trunk Sewer Upgrades Phase V, Erie Street Storm Water Pond and Downie Street Storm Water	21,042,635	12/1/2011	2026	3.21%	7,014,212
12	Sanitary & Storm Projects	5,784,025	11/3/2008	2028	2.74%	2,024,409
13	Sanitary Projects	33,496,128	6/15/2007	2032	2.57%	14,068,374
14	Britannia street, Transit terminal, Sewer relining, water pollution plant clarifiers	6,113,000	12/17/2018	2033	3.42%	4,890,400
15	Sanitary & Storm Projects	1,295,639	11/16/2009	2034	2.70%	780,666
16	Rotary & Agriplex	16,816,370	11/16/2009	2034	2.70%	8,744,512
Debenture		91,387,797				38,823,573
		125,335,772				54,629,428



# Updates – Long-Term Debt

Repayment of the City's long-term debt principal and interest comes from the tax levy, as well as from user fees and development charges

	<u>Principal</u>	<u>Interest</u>	<u>Total Annual</u>
Existing	\$6,128,148	\$1,516,136	\$7,644,284
Approved 2021	\$1,552,298	\$703,993	\$2,256,220
<b>Total</b>	<b>\$7,680,445</b>	<b>\$2,220,059</b>	<b>\$9,900,504</b>

The total debt, both existing and approved as noted on the previous slide is repaid as follows:

Split by repayment Source		
Tax Levy/Levy-based Reserve Funds		6,874,078
User fees/User fee Reserve Funds		2,534,432
Development Charges		491,993
<b>Total</b>		<b>9,900,504</b>



# Updates – Climate Change

Included is a basic overview of the position as requested by Council strictly for information

The Climate Change Coordinator will be responsible for coordination, implementation and support of the Green House Gas Reduction Plan and associated climate change initiatives.

The position will expand the City's capacity to build knowledge, provide services, implement initiatives and contribute to operational and institutional changes suited to the City of Stratford.

The position will support City Departments and report to Corporate Leadership Team and Council on progress of City related climate change initiatives.





# Updates – Climate Change

The position will also assist in providing a climate change mitigation perspective in the development of asset management strategies.

Knowledge and experience in the areas of greenhouse gas emissions reductions.

Demonstrated understanding of climate change issues and sustainable development within the context of municipal government.

Direct reporting to Director of Infrastructure and Development Services



# Tax Supported Operating Budget

Total Tax Levy in dollars (2021)	\$63,457,399
Total proposed Increase to the tax Levy (2022)	\$4,964,989
Total taxation dollars proposed (2022)	\$68,422,388



# Tax Supported Operating Budget

Preliminary Net Budget (Levy) Increase	\$6,683,132	10.5%
After Mitigating Adjustments (\$1.200,000)	\$5,483,132	8.6%
After Reflecting updates previous meetings		7.8%
After Proposed changes identified in previous slide (including expansion requests)	\$4,958,897	

After 'blending' estimated education tax rates, and looking at estimated growth, expected residential tax rate increase approximately 5.1%

Estimated \$20.55/month (\$246.56 annual) increase on a home assessed at \$350,000\*



# Next Steps

- Council consideration of further amendments to the draft budget as identified in this presentation
- Deliberations today, January 31 and amendments as identified to specific initiatives and/or projects
- Final Council approval by by-law anticipated February 14, 2022 (staff recommendation).



# Questions

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