

Bill 23 poses concern in 2023 budget

At the last meeting of Council, Rachel Wainwright-van Kessel, the Town's Director of Finance, presented an in-depth report of the proposed municipal budget for 2023.

Ontario's Bill 23 poses a concern to the budget and the municipality will have to wait to see what the regulations require before fully understanding its impact.

"We have not assumed this in the plan. Our current [development charge] bylaw does expire March 2024, so that will be subject to the new Bill," she said.

Some of the impacts of Bill 23 relate to development charges and cash-in-lieu parkland, and include exemptions for the creation of affordable and attainable homes.

"This is a bit concerning, because it's requiring us to commit revenues and DC services where we actually have positive balances. So, it could result in some municipalities having to issue more debt to be able to advance more projects," Wainwright-van Kessel said.

"When we look at what impact this has, this is a very, very rough impact. We need to wait until we get to the regulations to fully understand and appreciate how this is going to impact us."

A minimum three per cent one-time tax levy for development charges and cash-in-lieu parkland is estimated to replace revenues.

"If we look at the development charge forecasts, you can see that the overall forecast is going negative by 2032. This does not include the impact to Bill 23. So that would actually put this in worse condition than what it's already in."

However, Wainwright-van Kessel showed in the presentation that the Town is currently paying off debt, particularly debt from JOC, which will be paid off in 2023, the SARC, which will be paid off by 2025, and debt on the LED lighting conversion will be paid off in 2026.

"We are paying off our debt, so that is a good sign. We still do need to issue some debt, we're just in line of credits right now relating to the SARC gym, and the Aurora Town Square facility as well. So, those will be long term debt options that will come at a later time."

Another main point in the presentation was the proposed tax levy increase of 3.5 per cent to offset inflationary pressures as much as possible, making for a \$2.8 million net tax levy increase.

Wainwright-van Kessel highlighted 2023's total gross operating expenditures of \$112.5 million which will be balanced by funding of \$112.5 million from a pool that includes the tax levy increase, water user rates, user fees, and reserves.

Listing the Town's top expenditures, 30 per cent will go towards salaries and benefits, 22 per cent toward program costs, 18 per cent towards purchased water and wastewater, and 12 per cent toward Central York Fire Services.

A total of five new full-time positions were proposed, two of which are already on staff but not on permanent full-time positions such as the Communications Coordinator currently holding a temporary full-time position and the Special Events Assistant who is working part time.

Three new proposed full-time positions that are not currently part of the staff today include a Revenue Administrator, Roads Technician, and Traffic Analyst.

?More of that will be discussed as we get into departmental budgets in January,? Wainwright-van Kessel said, referring to the deliberations that will take place in the new year as required before the budget is approved.

To offset spending, 52 percent of funding will come from the tax levy and supplementary taxes, 28 per cent from user rates water, wastewater and stormwater, 10 per cent from user fees, and 10 per cent from reserves, grants, interest and tax penalties.

Households will expect to see an increase in rates for water, wastewater, and storm water services with the biggest increase being 6.2 per cent for the water rate.

?This is a factor of the costs that we get from the Region. So, [at] the Region overall we're expecting them to increase water rates by 3.3%, but they're shifting a bit more on to the water and a little less on to the wastewater,? said Wainwright van Kessel.

The Capital budget authority, which looks at the entire cost of a project, proposed a budget of \$73.9 million. It increased by \$29.9 million this year compared to before.

?Despite adding more money to the capital plan, and being able to do what we're doing in those 10 years, we did have to defer some projects from the 10 year plan because of affordability challenges,? said Wainwright van Kessel.

She said they had about \$20 million-worth of road projects from asset management programs that have to be deferred.

?These projects would have to be looked at ways to add back into future years, so it would be either in the next 10 years the plan, or if there's ways to find additional funding to help pay for them.?

A one-time levy increase of 3.7 per cent would be required to add them back in the 10-year capital plan, according to the report.

Deliberations will kick off in Council Chambers in the New Year on Monday, January 9 where the Operating budget will be reviewed by the departments, with subsequent meetings scheduled for January 14 to review the capital budget, January 16 to meet with community partners, and additional meetings in the weeks following as needed.

Council is expected to approve the budget on Tuesday, January 31, or Tuesday, February 28.

By Elisa Nguyen