



CORPORATE REVENUE & EXPENSES

2022 Operating Budget Overview

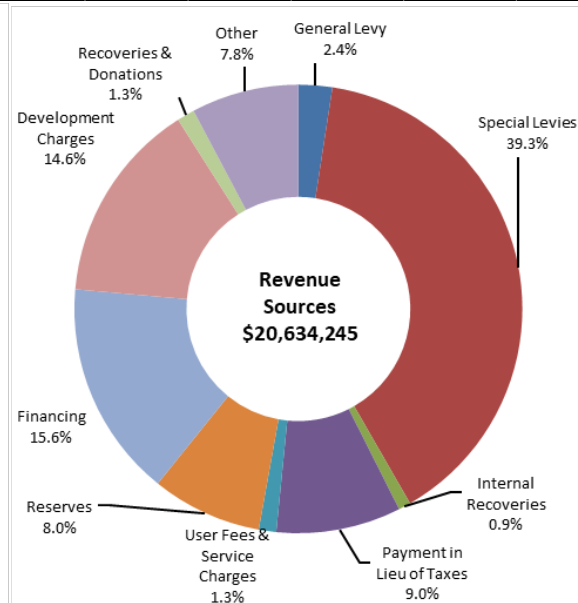
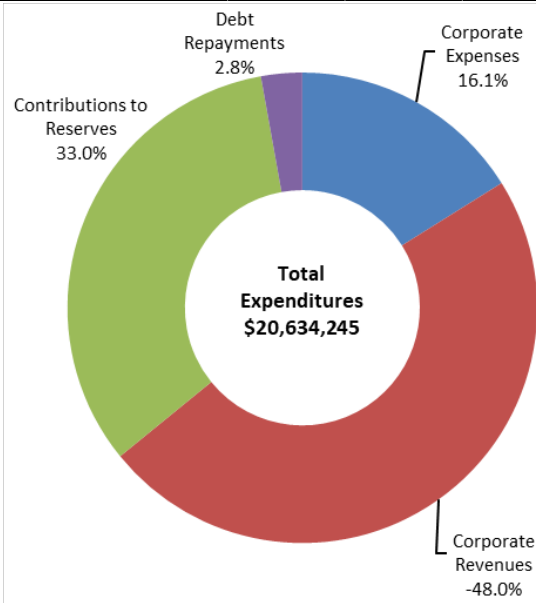
Included in the Corporate Revenue & Expenses Operating Budget are expenditures related to corporate-wide programs, long-term financing, capital planning and contributions to reserves.

Examples of corporate-wide programs include legal services, advertising, insurance, health and safety, professional development, financing, and voice and data coverage.

2022 Operating Budget Highlights

The proposed Corporate Revenue & Expenses operating budget for 2022 is \$20,634,245 in gross expenditures and \$502,400 in net expenditures supported from the general tax levy. Total special levies included in the Corporate Revenues and Expenses section are \$8,100,545, an increase of \$715,000 since 2021.

	2021		2022					2022 vs. 2021	
	Budget (\$)	Forecast (\$)	Base Budget (\$)	Pre-Approved Capital Impacts (\$)	Inclusions (\$)	One-Time (\$)	Total Budget (\$)	Budget Change	
Total									
Expense	20,119,145	22,213,264	20,514,345	231,000	-	(111,100)	20,634,245	515,100	2.6%
Revenue	(12,263,000)	(12,254,432)	(11,848,300)	-	-	(183,000)	(12,031,300)	231,700	(1.9%)
Net Expenditures Before Special Levies	7,856,145	9,958,832	8,666,045	231,000	-	(294,100)	8,602,945	746,800	9.5%
Special Levies									
Arenas	(228,900)	(228,900)	-	-	-	-	-	228,900	(100.0%)
Fair Workplaces	(153,500)	(153,500)	(153,500)	-	-	-	(153,500)	-	0.0%
Financial Sustainability	(1,370,800)	(1,370,800)	(1,599,700)	-	-	-	(1,599,700)	(228,900)	16.7%
Fire Services	(1,090,245)	(1,090,245)	(1,090,245)	-	-	-	(1,090,245)	-	0.0%
Infrastructure	(2,084,000)	(2,084,000)	(2,084,000)	-	-	-	(2,084,000)	-	0.0%
Infrastructure Gap	(918,000)	(918,000)	(1,256,000)	-	-	-	(1,256,000)	(338,000)	36.8%
Insurance	-	-	(422,000)	-	-	45,000	(377,000)	(377,000)	0.0%
Pavement Management	(1,540,100)	(1,540,100)	(1,540,100)	-	-	-	(1,540,100)	-	0.0%
Total Special Levies	(7,385,545)	(7,385,545)	(8,145,545)	-	-	45,000	(8,100,545)	(715,000)	9.7%
Total Net Expenditures	470,600	2,573,287	520,500	231,000	-	(249,100)	502,400	31,800	6.8%



	2021		2022					2022 vs. 2021	
	Budget (\$)	Forecast (\$)	Base Budget (\$)	Pre-Approved Capital Impacts (\$)	Inclusions (\$)	One-Time (\$)	Total Budget (\$)	Budget Change	
Corporate Expenses									
Liability Insurance Expense	976,800	1,261,587	1,643,200	-	-	-	1,643,200	666,400	68.2%
Expense	1,094,900	2,906,959	1,289,900	-	-	183,000	1,472,900	378,000	34.5%
Revenue	(538,000)	(744,657)	(932,500)	-	-	(138,000)	(1,070,500)	(532,500)	99.0%
Net Expenditures	1,533,700	3,423,890	2,000,600	-	-	45,000	2,045,600	511,900	33.4%
Corporate Revenues									
Transfer to Reserves Expense	856,800	856,800	741,500	-	-	-	741,500	(115,300)	(13.5%)
Expense	8,500	5,772	8,500	-	-	-	8,500	-	0.0%
Revenue	(7,014,000)	(6,798,775)	(6,848,700)	-	-	-	(6,848,700)	165,300	(2.4%)
Net Revenue	(6,148,700)	(5,936,203)	(6,098,700)	-	-	-	(6,098,700)	50,000	(0.8%)
Contributions to Reserves									
WSIB Transfer to Reserves	50,000	50,000	75,000	225,000	-	-	300,000	250,000	500.0%
Transfer to Reserves	9,042,245	9,042,245	9,784,645	6,000	-	126,900	9,917,545	875,300	9.7%
Transfer to Capital Budget	2,880,100	2,880,100	2,325,100	-	-	(421,000)	1,904,100	(976,000)	(33.9%)
Gravel Royalties Revenue	(111,000)	(111,000)	(111,000)	-	-	-	(111,000)	-	0.0%
Revenue	(132,600)	(132,600)	(132,600)	-	-	-	(132,600)	-	0.0%
Special Levies									
Financial Sustainability	(1,370,800)	(1,370,800)	(1,599,700)	-	-	-	(1,599,700)	(228,900)	16.7%
Fire Services	(1,090,245)	(1,090,245)	(1,090,245)	-	-	-	(1,090,245)	-	0.0%
Infrastructure	(2,084,000)	(2,084,000)	(2,084,000)	-	-	-	(2,084,000)	-	0.0%
Infrastructure Gap	(918,000)	(918,000)	(1,256,000)	-	-	-	(1,256,000)	(338,000)	36.8%
Insurance	-	-	(112,500)	-	-	-	(112,500)	(112,500)	0.0%
Pavement Management	(1,540,100)	(1,540,100)	(1,540,100)	-	-	-	(1,540,100)	-	0.0%
Net Base Budget Supported Reserve Transfers	4,725,600	4,725,600	4,258,600	231,000	-	(294,100)	4,195,500	(530,100)	(11.2%)
Debt Repayments									
Principal & Interest	5,209,800	5,209,800	4,646,500	-	-	-	4,646,500	(563,300)	(10.8%)
Reserve funded debt	(1,584,700)	(1,584,700)	(1,206,800)	-	-	-	(1,206,800)	377,900	(23.8%)
DC funded debt	(3,005,000)	(3,005,000)	(3,009,500)	-	-	-	(3,009,500)	(4,500)	0.1%
Special Levy funded debt	(228,900)	(228,900)	-	-	-	-	-	228,900	(100.0%)
Recoveries and Other funding	(31,200)	(31,200)	(70,200)	-	-	-	(70,200)	(39,000)	125.0%
Net - Base Budget Funded Debt	360,000	360,000	360,000	-	-	-	360,000	-	0.0%
Total Net Position	470,600	2,573,287	520,500	231,000	-	(249,100)	502,400	31,800	6.8%

The \$31,800, or 6.8% net increase to the Corporate Revenue & Expenses operating budget is driven largely by additional revenues from special levies. These special levies will permit increased contributions to reserves and also serve to offset higher insurance costs. The following commentary, provides highlights of the main 2022 budget changes:

- A \$225,000 increase in contributions to the WSIB Self-Insurance reserve as approved through report CORPSERV-2021-0007, which will help mitigate the risk related to the exit of insurance providers from the market that offer excess indemnity insurance coverage for presumptive legislation.
- A \$618,000 increase to insurance costs in the base budget. As discussed in CORPSERV-2021-0030 (2022 Budget Directions), despite mitigation measures put in place by the Town, liability insurance premiums are expected to increase up to 30% due to the industry trend of increasing rates. (Insurance costs in the amount of \$48,400, previously budgeted in other Town departments have now been consolidated within the corporate insurance section above to facilitate reporting).

- A 0.67% special levy of \$377,000 has been proposed as part of a funding plan to offset insurance related increases.

*Note: a recommendation by Budget Committee on December 7, 2021, is to fund the advancement of the Truth and Reconciliation and Equity, Diversity and Inclusion programming through a \$45,000 one-time contribution from the Tax Rate Stabilization reserve with no tax impact in 2022. This one-time reserve contribution allowed the proposed insurance special levy to be reduced from \$422,000 (0.75%) to \$377,000 (0.67%).

- A one-time redirection of \$421,000 from the pavement management capital program will be used in the 2022 operating budget to offset insurance related increases.
- As 2022 is an election year, there will be a transfer of \$183,000 into the operating budget to cover election related costs.
- A net reduction of \$53,500 (25%) in revenue from Halton Court Services is the first step of a four year plan to phase out reliance on this non-guaranteed revenue source.
- A one-time contribution of \$61,600 to the Public Art Reserve to maintain the minimum reserve balance of \$100,000 to comply with the established Public Art Policy (Report COMMSERV-2016-0001).
- A net reduction of \$419,100 in contributions to reserves has been proposed in order to align capital financing needs with the LRF.
- \$6,000 in energy savings are expected with the installation of the low-E ceiling at Mold-Masters SportsPlex. These savings will be directed to the Green Energy Revolving Fund to support future energy initiatives at the Town.
- The infrastructure gap special tax levy is proposed to increase by \$338,000 in 2022. This levy is transferred to the Capital Replacement Reserve and is used when required to address the Town's core assets.
- The Arena Program special levy which was initiated to fund a ten year debenture as part of the arena financing program has fulfilled its purpose. The remaining \$228,900 of this levy is proposed to be repurposed to the Financial Sustainability special levy as approved through report CORPSERV-2020-0042.