

## REPORT OF THE DIRECTOR OF FINANCE & TREASURER RE. 2022 OPERATING BUDGET FOR THE CONSIDERATION OF COUNCIL

### OBJECTIVE

To provide information pertaining to the operating budget for 2022.

### RECOMMENDATION

**That** the report of the Director of Finance/Treasurer re: 2022 Operating Budget be received;  
**and that** the 2022 Operating Budget be forwarded to Council for their approval;  
**and that** the necessary bylaw be placed on an upcoming Council agenda for consideration.

### BACKGROUND

The purpose of this report is to present the 2022 Operational Budget for the City of Elliot Lake. The approach to this budget is a zero based budget model. This means that each budget line has been reviewed and individually justified. There is no automatic year-to-year percentage increases. Each position, line expenditure or operational cost has a rationale directly linked to City operations.

At the November 29, 2021 adhoc budget meeting, council reviewed a report from the Director of Finance/Treasurer titled 'Discretionary Reserves Report and Capital Forecast'. The recommendation from this report was that the Budget Committee consider the state of reserves and the five-year capital forecast when considering municipal contributions to reserves in the 2022 operating budget.

At the April 5, 2022 adhoc budget meeting, council reviewed a draft budget citing a 6.36% increase. The recommendation of the report sought reductions to the draft budget; none were cited.

In the weeks following, staff have completed a detailed review this is complied herein.

The following document is a replication of the April 5 report and changes from its original presentation **bolded** for the ease of the reader.

### ANALYSIS: GLOBAL OPERATING BUDGET

Attached and summarized in Appendix A is an overview of the 2022 operating budget. **This represents an increase 4.97% over 2021.** The 2022 operating budget is based on the following methodologies. These methods affect all cost centres.

**Based on the May 16, 2022 in camera report of the Director of Finance/Treasurer re: 2022 Salaries and Benefits Budget \$10,224,104 is included in the 2022 operating budget.**

In line with zero-based budgeting, wages has been based on the level of the incumbents at the time of budgeting and will be projected in the following year with accuracy related to the nearest next month that their classification changes.

**The below table provides a detailed look at the departments/cost centres within the City.**

	2022 employees	2022 Budget	2021 employees	2021 Budget	variance employees	variance Budget
Mayor & Council	7	\$153,751	7	\$157,597	0	-\$3,846
CAO	3	\$396,960	3	\$413,073	0	-\$16,113
Corporate Services	18	\$1,543,987	14	\$1,268,854	4	\$275,133
Protective Services	39	\$2,038,678	39	\$2,012,721	0	\$25,957
Infrastructure Services	45	\$2,981,492	46	\$3,024,662	-1	-\$43,170
Recreation and Culture	81	\$1,348,361	84	\$1,340,021	-3	\$8,340
Economic Development	3	\$198,528	4	\$318,282	-1	-\$119,754
Public Library	8	\$336,414	9	\$343,149	-1	-\$6,734
Water & Sewer (User Pay)	14	\$1,225,933	13	\$1,108,669	1	\$117,264
<b>Total</b>	<b>218</b>	<b>\$10,224,104</b>	<b>219</b>	<b>\$9,987,028</b>	<b>-1</b>	<b>\$237,076</b>

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#### CONFERENCES, CONVENTIONS & TRAVEL

In response to the COVID-19 pandemic, throughout 2020, 2021, and early 2022 conferences and conventions moved to virtual platforms. In 2022, many departments will attend in person to conferences. With this reasoning in mind, the 2022 budget lines for all departments are retained with the budgeted amounts used in 2020 & 2021, unless other circumstances exist.

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#### UTILITIES

Hydro usage has been reviewed using a three-year average. The 2022 budget has been determined using average actual costs plus a 4.70% increase for CPI. Natural Gas usage has been reviewed using a three-year average. The 2022 budget has been determined using average actual costs plus a 4.70% increase for CPI. CPI increases are based on energy CPI for the Province of Ontario. Unless other extenuating circumstances are known at the time of budgeting. Water costs are based on known increases.

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#### INSURANCE

Per the March 3, 2022 Memo from the Director of Finance and Administration, the City's insurance premiums increased by 13.52%. Insurance is allocated across General Government, Municipal Airport, Public Library and the User Pay (Water/Waste Water Budget). In err, an increase was not applied to Water/Wastewater; this will be corrected in 2023.

	<b>2022 Budget</b>	<b>2021 Budget</b>	<b>Budget to Budget Variance</b>	<b>2021 Actual (Unaudited)</b>	<b>2020 Actual</b>
<b>Insurance</b>					
General Government	\$793,179	\$681,905	\$111,274	\$681,905	\$450,188
Municipal Airport	\$8,489	\$7,711	\$778	\$7,711	\$6,415
Public Library	\$5,875	\$5,075	\$800	\$5,075	\$3,500
Water/Waste Water (User Pay)	\$140,000	\$140,000	\$0	\$140,000	\$0
<b>Total</b>	<b>\$947,542</b>	<b>\$834,691</b>	<b>\$112,851</b>	<b>\$834,691</b>	<b>\$460,103</b>

#### GENERAL STATIONARY AND OFFICE

Within the operating budget, there are currently 22 ledgers for general stationary and office. Where practical (i.e. City Hall) the purchase of office supplies has become more centralized; and savings has been found. Implementing a three-year actual average has yielded a budget-to-budget variance of \$10,844 to the global operating budget.

<b>GENERAL STATIONERY &amp; OFFICE</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Actual Expenditures	\$57,258	\$45,744	\$30,183	
Budget	\$68,040	\$54,600	\$54,750	\$44,259
Budget to Actual Variance	(\$10,782)	(\$8,856)	(\$24,567)	
Budget to Budget Variance				(\$10,491)

#### GENERAL STATIONARY AND OFFICE: POSTAGE

Within the operating budget, there are currently 20 ledgers for postage. The use of email billing has yielded an operational savings across several cost centres. During budget deliberations, implementing a three-year actual average has yielded a budget-to-budget variance of \$1,663 to the global operating budget.

<b>POSTAGE</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Actual Expenditures	\$23,531	\$12,857	\$16,307	
Budget	\$26,930	\$18,280	\$16,940	\$15,277
Budget to Actual Variance	(\$3,399)	(\$5,423)	(\$633)	
Budget to Budget Variance				(\$1,663)

#### TRANSFERS TO RESERVE

Are unchanged at the same contribution rate as 2021, with the exception of Elections and Family Health Team, which is discussed later in the report.

#### TRANSFERS FROM RESERVE

It is not recommended to use reserves to offset operational expenses. In 2022, there is one occasion where a transfer from reserves is utilized. Funds will be transferred from the Elections Reserve to the Elections 2022 budget.

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## PROJECTED TAX RATE CHANGE

The Ontario Government announced in 2020 that the 2020 Municipal Property Assessment Corporation (MPAC) Assessment Update is again postponed. Property assessments for the 2022 taxation year will continue to be based on the fully phased-in January 1, 2016 current values (i.e., the same valuation date in use for the 2020 and 2021 taxation year).

## ANALYSIS: DEPARTMENTAL ANALYSIS

In the text to follow, changes and variance notes in the 2022 operating budget are further explained on a by department basis. To follow through this section, please follow along with page two of the appendix schedule A.

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## MAYOR AND COUNCIL

As the world reopens, conference and conventions return to in person sessions. An increase to the conference and conventions budget of \$8,049 is based on known activities.

Per Person	3 day ROMA virtual <i>actual</i>	3 day FONOM North Bay <i>based on schedule</i>	3 day OGRA Toronto <i>based on schedule</i>	4 day AMO Ottawa <i>estimated schedule n/a</i>
<b>Conference Fee</b>	<b>\$432.48</b>	<b>\$452.00</b>	<b>\$700.00</b>	<b>\$800.00</b>
<b>Mileage (\$0.61/km)</b> <i>one way kms</i>	<b>\$0.00</b> <i>0</i>	<b>\$357.46</b> <i>293</i>	<b>\$677.10</b> <i>555</i>	<b>\$789.34</b> <i>647</i>
<b>Meals</b>  <i>Breakfast \$21.35 Lunch \$21.60 Dinner \$53.00</i>	<b>\$0.00</b>  <i>n/a</i>	<b>\$127.35</b>  <i>Day 1: BD Day 2: n/a Day 3: D</i>	<b>\$319.50</b>  <i>Day 1: LD Day 2: BD Day 3: BD Day 4: BLD</i>	<b>\$479.75</b>  <i>Day 1: BLD Day 2: BLD Day 3: BLD Day 4: BLD Day 5: BLD</i>
<b>Accommodation</b>	<b>\$0.00</b>	<b>\$259.88</b>	<b>\$807.00</b>	<b>\$1,035.08</b>
<b>Parking</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$177.00</b>	<b>\$80.00</b>
<b>Total</b>	<b>\$432.48</b>	<b>\$1,196.69</b>	<b>\$2,680.60</b>	<b>\$3,184.17</b>
2 Representatives	<b>\$864.96</b>			
3 Representatives		<b>\$3,590.07</b>	<b>\$8,041.80</b>	<b>\$9,552.51</b>
<b>Total Conferences</b>		<b>\$22,049.34</b>		
<b>Misc. Travel</b>		<b>\$2,000.00</b>		
<b>Training</b>		<b>\$2,500.00</b>		
<b>2022 Budget</b>		<b>\$26,549.34</b>		
<b>2021 Budget</b>		<b>\$16,000.00</b>		
<b>Variance</b>		<b>\$10,549.34</b>		

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## CHIEF ADMINISTRATIVE OFFICER

Based on a three year average, contracted services has been reduced by \$5,000.

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## CLERK & 2022 ELECTION

As 2022 is an election year, the budget has been established in 2018, there was no transfer to the elections reserve. In 2019, 2020 and 2021 \$20,000 was transferred annually from the operating budget to the elections reserve, with annual interest revenue allocated. The reserve balance is currently \$75,554. Election expenses in 2018 totalled \$75,931 (\$37,253 in wages and \$38,678 in sundry expenses). The 2022 budget includes \$93,646 in expenses (\$51,874 in wages and \$41,772 in sundry expenses). Sundry expenses have been increased 2% year over year from the known 2018 actuals. Based on the 2022 election estimate (\$90K), the transfer to reserve for the 2026 election is increased by \$2,500 to \$22,500. Allowing for a 2026-estimated balance in reserve to be \$90,000.

Based on actuals expenditures for planning, a budget line for contracted services specific to Clerk and Planning in the amount of \$7,500 has been added in 2022; and \$25,000 for accessibility.

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## HUMAN RESOURCES

The city provides extended health benefits for retirees. Based 2022 known rates the 2022 budget provides for 18 retirees with an estimated expense of \$87,483.

In line with City Policies, Employee Service Recognition is included in the HR operating budget for 2022 (historically; general government). This budget line provides for the recognition of milestone anniversaries, the issuance of holiday gift cards, and bereavement and hospitalization (\$500).

This line also provides a 50/50 cost sharing with the Elliot Lake Management Social Fund to celebrate managing retirees; at the time of writing this report, three managers have provided notice of a 2022 retirement (\$2,250).

SERVICE RECOGNITION MILESTONES		
Years' Service	\$ Gift Card	# of Employees
35	\$400.00	1
30	\$300.00	0
25	\$200.00	0
20	\$100.00	2
15	\$75.00	3
10	\$50.00	0
5	\$25.00	3
<b>Total Employees</b>		<b>9</b>
<b>Total \$</b>		<b>\$900.00</b>

Employee Service Holiday Gift Cards			# of Employees	\$Total	\$ Gift Card
Full Time	Council	7	\$210.00	\$30.00	
	CUPE	58	\$1,740.00		
	Fire	9	\$270.00		
	Management	24	\$720.00		
Part Time	Part Time	42	\$840.00	\$20.00	
	Vol. Fire	14	\$280.00		
	X-Guards	9	\$180.00		
Total		163	\$4,240.00		

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## INFORMATION TECHNOLOGY

Computer software increase is due to a requirement to upgrade our software from Worktech to Pearl (Central Square Canada). Both Treasury (asset management) and Public Works (chargeable hours and inventory) use this program. Public Works requires a preventative maintenance program and staff is reviewing the option to add a module from Pearl (or alternate preventative maintenance program). This includes additional licenses for current products for staff increases and requirements to accommodate more remote workplace accommodations.

Contracted Services is increasing based on requirements to increase our cyber security. The following chart provides insight with respect to the budgeted expenditures, as well as a look at actual expenses for 2020 and 2021.

IT CONTRACTED SERVICES	2022 Budget	2021 Budget	Variance	2021 Actual (unaudited)	2020 Actual
BMC Software Canada	3,000	2,500	500	3,991	2,448
Central Square Canada	72,000	65,000	7,000	61,534	77,205
Escribe Software	40,000	42,000	(2,000)	37,925	41,035
E-Solutions Group	20,000	20,000	-	19,202	15,399
Lloyd Research Group	-	-	-	39,381	-
Marmak Information Technologies	2,500	2,500	-	3,053	2,035
Receiver General Radio License	5,000	3,500	1,500	2,304	4,942
BearTech and SoftChoice LP	35,000	13,000	22,000	12,797	19,018
StratospherIQ Data Systems	42,000	42,000	-	43,078	41,518
Swagit Productions	23,745	20,000	3,745	23,745	-
WAMCO	2,544	-	2,544	2,544	-
SOPHOS 24/7 & Back Up Unit	50,000	-	50,000	-	-
Zoom	3,000	3,000	-	6,037	2,700
Miscellaneous	1,220	1,500	(280)	3,444	6,137
<b>Total</b>	<b>300,009</b>	<b>215,000</b>	<b>85,009</b>	<b>259,036</b>	<b>212,437</b>

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#### WOODLANDS CEMETRY

No significant variance to note. Near status quo budgets will be maintained.

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#### FAMILY HEALTH TEAM

City staff are working toward establishing a memorandum of understanding (MOU) with the family health team; including but not limited to establishing clear financial support guidelines. In April 2021, the City adopted a bylaw declaring the office space as municipal capital facility. Due to the absence of a MOU, the City was unable to register the space held by the family health team as municipal capital facility with the Municipal Property Assessment Corporation (MPAC). An agreement providing ELNOS with a tax credit expired in 2017; however, based on historical practices this credit has continued. To that extent, a budget line for municipal taxes is sustained for 2022. Under contracted services, the virtual clinic is budgeted at \$6,000 per month (\$72,000 annually) and an additional \$50,000 is budgeted for physician recruitment. New to the operating budget is an additional line to transfer \$50,000 to the Physician Recruitment Reserve.

**A debate at the April 5, 2022 adhoc budget meeting included a request for an additional of \$50,000 (grand total of \$100,000) to the physician recruitment reserve. In the interest of sustaining a global levy increase under 5%, it is the recommendation of the Director of Finance and Treasurer that augmenting the reserve is deferred until 2023 budget deliberations; unless a shift in budget lines can be suggested.**

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#### LONG TERM DEBT – NURSING HOME & PEARSON PLAZA

The debenture for the Nursing Home retired in 2020. The Debenture for Pearson Plaza is budgeted based on the amortization schedule for the loan.

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#### TREASURY

Estimated revenue for 2022 increased by \$5,000 based on the three-year average principle. Contracted Services decreased by \$20,000 due based on actuals and anticipated expenditures. Fees due to Municipal Assessment Corporation for the recovery of property assessment services and support services is a known expenditure for 2022. Financial Expenses related to tax reductions is increased based on known three-year averages.

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#### GENERAL GOVERNMENT

The three-year average has been employed on the following lines, miscellaneous revenue, general office and stationary, office equipment, sundries, memberships, photocopying and cell phones and insurance claims.

Insurance claims (paid by the City i.e. amounts under the deductible or applicable deductible) are increased using the three-year average principle.

Legal expenses have been historically over budget, using the three-year average \$372K should be budgeted for legal; a conservative approach increases the budget by \$50,000.

Municipal taxes that have been reviewed using a two-year average **and include a provision for the impending 5% increase to taxation.**

Contracted services is reduced by \$30,000 as it is anticipated that incidental expenses related to the pandemic will be greatly reduced in 2022.

**The Community Relations budget is set at \$10,500 supporting \$500 for incidental in year spending, and \$10,000 for the Elliot Lake Foodbank. This a reduction of \$10,000, as the three-year commitment to Maplegate (2019-2021)<sup>1</sup> is complete.**

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#### TAXES AND TRANSFERS

Transfer payments in lieu (PIL's) were underestimated in 2021; yielding additional revenue as captured in the 2022 budget. The 2022 Ontario Municipal Partnership Fund (OMPF) remains unchanged.

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#### FIRE DEPARTMENT

The three-year average has been employed increasing the expectation of revenue from miscellaneous recoveries. Further variance is created in salaries, benefits and uniforms with the movement of all crossing guards to the by-law budget. Training costs are increasing due to TSSA requirements, requiring

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<sup>1</sup> Feb 24 2020 Res. 62/12 Referral from Ad Hoc Budget Committee re: Maplegate Phase 4 pre-approval  
That council pre-approve \$30,000 to be included in the 2020 Operating budget as follows:

- \$10,000 being the second payment of the initial 3 year commitment
- \$20,000 as a one-time donation for operating for the development of Maplegate's Phase 4 Project

certification in elevator evacuation and new legislation requiring mandatory certifications. Based on a detailed review of contracted services and the use of the three-year average, contracted services increases by \$4,470.

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#### EMERGENCY MANAGEMENT

No significant variance to note. Status quo budgets will be maintained.

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#### BUILDING CONTROL

With consideration in changes to the user fee schedules and review of the three-year average revenue, revenue expectations for building control are increased. Based on a detailed review of contracted services contracted services is increased by \$7,000.

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#### BYLAW ENFORCEMENT

**Variance in salaries and benefits is due to the reallocation of budget for crossing guards (\$50K) from the Fire Department budget. Revenue related to Pet and Taxi Licenses is reduced in 2022 based on a review of the past three years. Based on the three-year average, expenses related to animal shelter maintenance, uniforms, equipment and contracted services is increased.**

**The April 5, 2022 report cited the addition of an Animal Control By-law Officer, this remains a future goal of the City. With budget considerations in mind, the Director of Clerks and Planning has requested a deferral of this position for consideration during the 2023 budget deliberations. To that extent, the By-law budget is adjusted accordingly.**

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#### COMMITTEE OF ADJUSTMENT

No significant variance to note. Status quo budgets are maintained.

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#### FACILITIES

Administration variance in salaries and benefits is due to a shift in the expenses from operations to administration for the City's janitorial staff. Using a blended average of actuals in 2019 and 2021 Contracted Services are increased.

The Movie Theatre/Arts Space renovation and refurbishing expected to be complete in 2022; to that extent, an operational budget is established. **Through the detailed review, the Movie Theatre/Arts Space required a budget for Natural Gas. In line with the utilities calculation method \$9,636 is included.**

Expenses at the Rio Den are due to increased utilities; namely metered water.

Building rental at the Pearson Plaza (Hart Store) increased in 2022 due to Common Area Maintenance (CAM) fees; historically, CAM fees were not included in the budget.

Facility operations for the Pool increase by 11.4% with significant increases in the Plant Room & Compressor Maintenance, Water Testing and Contracted Services based on a three-year review of actuals, with a 30% increase.



City Hall and Police Station vary slightly due to changes in utilities expense.

Collins Hall sees an increase to utilities (natural gas consumption) based on the aforementioned review and contracted services is necessary based on historical expenses.

At Centennial Arena, an increase to utilities (hydro) is reflected.

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#### OPERATIONS (PUBLIC WORKS)

Known increases to contracted services and a review of the three-year average results creates a year over year increase of \$12,246.

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#### PUBLIC WORKS

Increases are prevalent across renewals for contracted services, materials, fuel, and supplies. To that extent, the expense of routine maintenance is increased. Building Maintenance increases by 34% and Contracted Services increases using a three-year average actual with a 10% increase. Equipment Maintenance increases by 11% using a three-year average actual with a 10% increase. These 10% increases are very conservative and as supply and demand of parts continues to be an issue. The vehicle maintenance is not revenue but rather a redistribution of expenses from other departments based on work performed in year by our in-house mechanics. Public Works Operations sees an increased transfer for distributed wages from Woodlands Cemetery and the Water/Waste Water Budget.

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#### ROADS MAINTENANCE

Increases from 30% to 45% are prevalent during 2022 contract reviews, using a review of the three-year average actuals and a 30% increase the total roads maintenance budget increases by 27.1%. An administrative error (caught during the 2020 audit process), has caused a major variance in the budget line for A & B Gravel; using actual expenditures from 2021 with an additional 30% for increased pricing this is reflected in the operating budget.

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#### CONVENTIONAL TRANSIT SYSTEM & ACCESSIBLE TRANSIT

Provincially allocated gas tax funds are known to be \$128,881<sup>2</sup>, there are no other known provincial grants. Based on the three-year trend, the expectation of revenue from the Northland Shuttle is increased. Transit fees remain at the 2019 price. Using 2019 actuals, revenue generated from tickets, membership, and cash payments are calculated based on payments collected April 1, 2022 - December 31, 2022. Based on current fuel prices, a 30% increase over the three-year average is predicted. Contracted Services are increased comparative to 2021 actuals. Vehicle Maintenance is increased based on the three-year average expenditure.

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#### MUNICIPAL AIRPORT

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<sup>2</sup> [2021-22 Gas Tax Funding by Municipality](#) link to Ontario Newsroom

Using the 2022 user fees and a three-year average, revenue at the airport is expected to increase. Also increasing on both the revenue and expense side is the cost of aviation fuel. Building maintenance, materials, and contracted services are increased slightly based on three-year average actuals and known obligations.

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#### STREET LIGHTING – REAL TERM ENERGY (RTE)

Based on the amortization schedule related to the 2015 loan for street lighting we see an increasing principle payment and a declining interest/warranty program payment. This budget line has been analyzed to demystify the interest/warranty program. Based on information obtained from RTE within each payment, there is a component that goes to the lender, and a component that goes to RTE to cover profit overhead, and maintenance expenses when they occur. Of the entire payment, 85% is remitted to the lender and 15% is remitted to RTE.

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#### STORM SEWER

Known increases to materials and contracted services combined with a review of the three-year average results creates a year over year increase of \$29,609.

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#### WASTE MANAGEMENT

Contracted Services related to collection have increased. However, increased controls at the landfill and accounts receivable have yielded higher revenues for the landfill.

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#### PARKS

Including Leisure Parks and Mississagi Park, this budget line results in a reduction to the 2022 operating budget. Using a blended three-year average, revenues are increased at Mississagi Park offsetting the increases to utilities, and fuel.

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#### GRANTS TO SENIORS CENTRE

Since 2012, the City has provided funding to the Renaissance Seniors Centre. From 2012 through 2019, these transfers were supported by specific resolution, in 2020 and 2021 these funds were added to the operational budget and passed at the time of budget adoption.

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#### RECREATION

Includes Sports Field rentals, Summer Day Camps, and the following events; Ice Fishing Derby, Street Dance, Winterfest, Canada Day, Drag Races, and programming at the Collins Hall. Citing an administrative correction, we see an increase in salaries in administration; we will see a decrease in salaries at Westview Trailer Park, and the Welcome Centre. Summer Day Camps employs 11 part time students for two months; in 2021, the department was successful in obtaining a summer student-hiring grant, which offset some of the expenses. The Street Dance is budgeted with a 30% increase over 2019 actuals. Based on information obtained from the contracted provider of the Canada Day fireworks, we are anticipating a 30% increase for the provision of fireworks. Per council's direction, the 2022 Drag Races are budgeted with an upset limit of \$35,000.

Recreation	2022 Budget	2021 Budget	Budget to Budget Variance	2021 Actual (Unaudited)	2020 Actual	2019 Actual
Recreation Administration	\$307,052	\$178,316	\$128,735	\$140,795	\$231,567	\$213,934
Multi Media Youth Activities	\$0	\$0	\$0	\$0	\$0	\$909
Summer Day Camps	\$92,732	\$75,943	\$16,788	\$34,907	\$83,883	\$61,619
Ice Fishing Derby	\$7,900	\$7,900	\$0	\$0	\$8,366	(\$2,374)
Street Dance	\$28,669	\$0	\$28,669	\$0	\$0	\$22,053
Winterfest	\$10,360	\$10,360	\$0	\$0	\$10,281	\$12,279
Canada Day Festival	\$32,724	\$26,745	\$5,979	\$22,622	\$3,011	\$25,468
Drag Races	\$35,000	\$17,750	\$17,250	\$574	\$2,317	\$5,655
Total	\$514,435	\$317,015	\$197,421	\$198,899	\$339,425	\$339,543

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#### GOLF COURSE

No significant variance to note. Status quo budgets are maintained.

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#### MOUNT DUFOUR SKI HILL

Savings have been achieved as in error; the lift audit was budgeted for in 2021. Advertising and promotion for Mount Dufour continues to advertise on billboards. Transfer to reserve is sustained to repay the 2019 groomer.

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#### COLLINS HALL

Using a blended average, the revenue expectations at the Collins Hall are increased. Sundry expenses are increased in response to refresh on some non-recreational equipment i.e. for theater style productions and small kitchen needs.

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#### CENTENNIAL ARENA

Using a blended average, the revenue expectations at the Centennial Arena are increased. Salaries are budgeted for three part time employees for ice convening and skate patrol.

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#### CENTENNIAL ARENA - CANTEEN

Revenue for the canteen is directly correlated with food purchase. Using a blended average, the revenue expectations are increased, along with the expenses for food purchase. Salaries are budgeted for four part time employees for the provision of canteen services.

**On May 10, 2022, staff met and reviewed the 2021-2022 canteen financials. From this review came suggestions for improvements to operations, resulting in increased revenue expectations.**

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#### RUBEN YLI JUUTI CENTRE – INCLUDING BEACHES

A review of revenue from 2019, blended with adjusted (consideration of closures) 2020 & 2021 revenue, the expectation of revenue is increased. Variance in operating expenses include the implementation of booking/membership software, and improvements to the fitness room. Municipal beaches budget increases based on increased lifeguarding, reflective of 2021 actuals.

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## PARKS

Includes budgets from Westview Trailer Park, Trails, the Trailhead and the Skate Park. Using a three-year blended average and the increases to user fees, Westview Trailer Park will see an increase in revenue and a decrease in expenses as all staff are budgeted to recreation administration. Trails, includes two summer students, and the expectation of a provincial trails grant. The Trailhead budget increases by \$9,000 based on actuals from 2021.

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## WELCOME CENTRE

With staffing shifted from the Welcome Centre to Recreation Administration, the budget is limited to Advertising, and Sundry Expenses. Using a three-year blended average and the consideration that new advertising material be produced in 2022, the budget is increased.

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## MINERS MONUMENT

Status quo budgets are maintained.

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## ARTS & CULTURE

Status quo budgets are maintained; namely for Arts and Culture Hub Planning and advertising.

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## ARTS TOUR

Status quo budgets are maintained.

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## NUCLEAR MUSEUM

At the time of writing this report, there were no known grants for the museum. Subsequently the number of hours available for summer temporary salaries. All other budgets are maintained.

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## COMMUNITY EVENTS

Created to provide limited financial assistance to community groups and not-for-profit organizations within the City to assist with various activities. This support is in recognition of the value of these groups to the well-being and growth of the community and is to help the municipality retain a strong community focus. The community grant program continues in 2022.

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## SPECIAL EVENTS

Status quo budgets are maintained.

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## ECONOMIC DEVELOPMENT

At the time of writing this report, there were no known grants for Economic Development or EDO Projects. Increases in 2022 are noted for conferences and conventions, based on current registered commitments. Advertising and Promotions for the production of marketing materials and an increase in contracted services to increase opportunities for Community Improvement Plan (CIP) Incentive Programs.

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## POLICING

Honorariums and benefits for the Police Services Board remain status quo in 2022. Based on the 2022 OPP annual billing statement the cost for policing is reduced due based on the 2020 reconciliation and associated adjustment. The 2020 adjustment accounts for the difference between the amounts billed (based on estimated cost) and the reconciled cost in the Year-End Summary. The most significant adjustments result from the cost of actual versus the estimated municipal requirements for overtime, contract enhancements and court security.

Total 2022 Estimated Cost	\$2,758,101
2020 Year-End Adjustment	(\$62,386)
<b>Total 2022 Billing</b>	<b>\$2,695,715</b>

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## ALGOMA PUBLIC HEALTH UNIT (APH)

Based on the 2022 Municipal Levy Notice APH has approved a budget with a 10.0% increase to the Municipal levy for the 2022 operating year relative to 2021. The City's apportionment of the levy is based on 2016 Census Data provided by Statistics Canada. APH's approved operating budget reflects a 2.45% overall increase relative to 2021.

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## ELLIOT LAKE PUBLIC LIBRARY

After review with the Chief Librarian, the Public Library is budgeted with a savings of 3%. Revenue expectations remain status quo, with the exception of transit revenue (estimated for April through December). Using a blended three-year average, building maintenance and office supplies are reduced. A review of the rental agreement shows that monthly rent due is (inclusive of the City's HST rebate) \$14,825.21/month with an additional \$10,000 for Common Area Maintenance (CAM) fees.

## ESTIMATED FINANCIAL IMPACT

Based on estimates from the Ontario Ministry of Finance, Online Property Tax Analysis (OPTA). The median/typical single family home has a current value assessment of \$95,000 (MPAC valuation). Current Assessment Value (CVA) is the basis for the calculation of municipal property taxes.

In 2021, taxes due on a median/typical single family home totalled \$2,038. In 2022, the same home would have property taxes in the amount of \$2,132. Given adoption of the 2022 operating budget as presented in Appendix A, a median/typical single family home would incur taxes in the amount of \$2,132 in 2022; an increase of 4.62% over 2021.

Median/Typical Property Estimated Municipal Taxes	CVA	Taxes 2021	Budget 2022	% Increase from 2021
Single Family Home	\$95,000	\$2,038	\$2,132	4.62%
Seasonal Recreational Dwelling	\$179,000	\$3,538	\$3,700	4.59%
Residential Condominium Unit	\$34,500	\$740	\$774	4.62%
Managed Forest	\$28,000	\$138	\$145	4.59%
Apartment Building	\$1,287,000	\$49,744	\$52,118	4.77%
Small Office Building	\$127,000	\$6,144	\$6,329	3.02%
Small Retail Commercial Property	\$154,400	\$7,469	\$7,695	3.02%
Standard Industrial Property	\$236,000	\$9,013	\$9,358	3.82%

average 4.13%

## CONSIDERATIONS

The 2022 Operating Budget has been prepared under the preface that operations continue status quo. Services and relationships historically supported by the operating budget will continue.

Department	Considerations for Close, Cancel, or Delete	
Mayor & Council		
Mayor & Council	COUNCIL GROUP BENEFITS \$40,491 budget reduction of 0.32%	0.32%
Corporate Services		
Human Resources	EMPLOYEE SERVICE \$6,850 budget reduction of 0.05%	0.05%
Information Technology	Swag It CONTRACTED SERVICES \$23,475 budget reduction of 0.19%	0.19%
Family Health Team	MEDICAL CLINIC MUNICIPAL TAXES \$32,000 budget reduction of 0.25%	0.25%
	CONTRACTED SERVICES \$122,000 budget reduction of 0.96%	0.96%
	TRANSFER TO RESERVE \$50,000 budget reduction of 0.39%	0.39%
Protective Services		
Fire Department	VOL. FIRE TEMPORARY SALARIES & WAGES \$18,532 reduction of 0.15%	0.15%
By law Enforcement	3rd BY-LAW OFFICER \$42,333 budget reduction of 0.33%	0.33%
Infrastructure Services		
Roads Maintenance	CRACK SEALING CONTRACT \$90,302 budget reduction of 0.71%	0.71%
	LINEPAINTING CONTRACT \$57,071 budget reduction of 0.45%	0.45%
	SIDEWALK & CURB REPAIR \$65,000 budget reduction of 0.51%	0.51%
Conventional Transit	Reduce hours of service %TBD	%TBD
Accessible Transit	Reduce hours of service %TBD	%TBD
Waste Management	HAZARDOUS WASTE DAY \$35,000 budget reduction of 0.28%	0.28%
Recreation and Culture		
Grants to Seniors Centre	COMMUNITY SERVICES \$25,000 budget reduction of 0.20%	0.20%
Recreation	Summer Day Camps \$94,812 budget reduction of 0.75%	0.75%
	Street Dance \$28,669 budget reduction of 0.23%	0.23%
	Canada Day Festival \$32,724 budget reduction of 0.26%	0.26%
	Drag Races \$35,000 budget reduction of 0.28%	0.28%
Centennial Arena	Centennial Arena Canteen \$33,982 budget reduction of 0.27%	0.27%
Ruben Yli Juuti Centre	Municipal Beaches \$100,913 budget reduction of 0.80%	0.80%
Arts Tour	Arts Tour \$5,750 budget reduction of 0.05%	0.05%
Special Events	VOLUNTEER DINNER \$4,000 budget reduction of 0.03%	0.03%
Economic Development		
Economic Development	REDUCE CIP INCENTIVES \$30,000 budget reduction of 0.24%	0.24%

Cutting existing staff has not been tabled; however, vacant staff and summer students are considered; please note that each summer student has a budgetary savings of approximately \$11,000 / 0.09%.

Department	# of Summer Students
Treasury	1
Building Control	1
Infrastructure - Facilities	2
Public Works	3
Parks	23
Recreation	11
Nuclear Museum	2
<b>Total # of Summer Students</b>	<b>43</b>

Alternatively, staff could be directed to explore reducing contributions to reserves to achieve all operational activities and a more palatable budget. A summary of current budgeted transfers to reserve is below.

Transfers To Reserve	2022 Budget	2021 Budget	Variance
Clerk	\$22,500	\$20,000	\$2,500
Information Technology	\$50,000	\$50,000	\$0
Family Heath Team	\$50,000	\$0	\$50,000
Treasury	\$353,710	\$353,710	\$0
General Government	\$60,000	\$60,000	\$0
Fire Department	\$150,000	\$150,000	\$0
Fire Department (MNR)	\$2,150	\$2,150	\$0
Facilities - Administration	\$200,000	\$200,000	\$0
Operations - Administration	\$250,000	\$250,000	\$0
Public Works-Equipment Maintenance	\$500,000	\$500,000	\$0
Public Works-Operations	\$0	\$0	\$0
Transit System	\$75,000	\$75,000	\$0
Municipal Airport	\$100,000	\$100,000	\$0
Recreation	\$5,000	\$5,000	\$0
Stone Ridge Golf Course	\$30,000	\$30,000	\$0
Mount Dufour Ski Hill	\$55,000	\$55,000	\$0
Parks-Trails	\$20,000	\$20,000	\$0
Miners Monument Park	\$1,500	\$1,500	\$0
Arts & Culture	\$0	\$0	\$0
Economic Development	\$25,000	\$25,000	\$0
Public Library	\$0	\$0	\$0
<b>Total</b>	<b>\$1,949,860</b>	<b>\$1,897,360</b>	<b>\$52,500</b>

## RECOMMENDATION

It is recommended that staff be directed to reduce the 2022 Municipal Operating Budget.