

REPORT OF THE DIRECTOR OF FINANCE & TREASURER RE. 2024 OPERATING BUDGET FOR THE CONSIDERATION OF COUNCIL

OBJECTIVE

To provide information pertaining to the operating budget for 2024.

RECOMMENDATION

That the report of the Director of Finance/Treasurer re: 2024 Operating Budget be received;
and that the 2024 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 2024 Operational Budget for the City of Elliot Lake. This budget was approached using a zero based budget model. This means that each budget line has been reviewed and individually and 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 March 5, 2024 adhoc budget meeting, council reviewed a report from the Director of Finance/Treasurer titled 'Discretionary Reserves Report and Capital Forecast' (Appendix B). 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 2024 operating budget. Following consultation with the Interim CAO, the draft budget is presented with an additional \$250,000 in reserve transfers. Staff recommend the additional transfer be added to the working funds reserve and redirected as requirements are identified.

At the January 29, 2024 adhoc budget meeting, council reviewed a report from the Director of Finance/Treasurer titled '2024 Salaries and Benefits Budget'. The recommendation from this report included \$10,999,794 in salaries and benefits. At the conclusion of the meeting, direction to staff included \$10,994,929 to the operational budget for salaries and benefits. Not detailed in this report is any variance pertaining to salaries and benefits, as it applies to identifiable individuals.

ANALYSIS: GLOBAL OPERATING BUDGET

SCHEDULE A

Attached and summarized in Schedule A is an overview of the 2023 operating budget. This represents an increase 10.13% over 2023. The 2024 operating budget is based on the following methodologies. These methods affect all cost centres.

SALARIES & BENEFITS

In line with zero-based budgeting, wages have been based on the salary 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.

	2024 Employees	2024 Budget	2023 employees	2023 Budget	variance employees	variance Budget
Mayor & Council	7	\$170,356	7	\$163,430	0	\$6,926
CAO	3	\$391,801	3	\$369,434	0	\$22,368
Corporate Services	18	\$1,849,488	18	\$1,640,837	0	\$208,651
Protective Services	45	\$2,311,522	44	\$2,258,355	1	\$53,167
Infrastructure Services	47	\$3,196,843	47	\$3,060,355	0	\$136,488
Recreation and Culture	72	\$1,243,228	65	\$1,092,611	7	\$150,617
Economic Development	3	\$236,551	2	\$160,623	1	\$75,928
Public Library	10	\$355,621	9	\$349,451	1	\$6,170
Water & Sewer (User Pay)	14	\$1,239,519	14	\$1,223,150	0	\$16,370
Total	219	\$10,994,929	209	\$10,318,245	10	\$676,684

CONFERENCES, CONVENTIONS & TRAVEL

Throughout 2020 and into 2022 due to restrictions from the Pandemic, conferences and conventions moved to virtual platforms. In 2023, many departments have begun to attend in person to conferences.

UTILITIES

A review of CPI for energy in the Province of Ontario shows that the rate is 6.4%; this CPI includes gasoline and diesel. To that extent, the CPI used for the determination of the 2024 budget is 4.7%.

A review of the three-year average with respect to hydro consumption and natural gas provides the basis for the 2024 budget; and includes an increase of 4.7% increase for CPI. Unless other extenuating circumstances are known at the time of budgeting.

GENERAL STATIONARY AND OFFICE

Within the operating budget, there have been as many as 22 ledgers for general stationary and office. In City Hall, the purchase of office supplies has shifted to a centralized ledger under general government. Variance will be noted in all General Stationary and Office lines based on the shift of

budget to General Government. Implementing a three-year actual average has yielded a budget-to-budget variance of \$1,804 to the global operating budget.

GENERAL STATIONERY & OFFICE	2020	2021	2022	2023	2024
Actual Expenditures	\$45,744	\$30,183	\$43,421	\$38,476	
Budget	\$54,600	\$54,750	\$44,259	\$40,419	\$38,615
Budget to Actual Variance	(\$8,856)	(\$24,567)	(\$838)	(\$1,943)	
Budget to Budget Variance					(\$1,804)

GENERAL STATIONARY AND OFFICE: POSTAGE

Within the operating budget, there have been as many as 20 ledgers for postage. A thorough investigation of budget lines has reduced the number of ledgers to 11. 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 an increase to this line by \$1,882.

POSTAGE	2020	2021	2022	2023	2024
Actual Expenditures	\$12,857	\$16,635	\$19,017	\$18,145	
Budget	\$26,930	\$18,280	\$44,259	\$15,775	\$17,657
Budget to Actual Variance	(\$14,073)	(\$1,645)	(\$25,242)	\$2,370	
Budget to Budget Variance					\$1,882

INSURANCE

Per the December 31, 2023 renewal, insurance premiums have increased by 7.26%. Insurance is allocated between General Government, Municipal Airport, Public Library and the User Pay (Water/Waste Water Budget).

A summary of the policy renewal is provided for information purposes.

Policy Items	2024	2023	Variance	%
Airport Liability	\$8,250	\$7,860	\$390	4.96%
Automobile Policy	\$118,448	\$113,810	\$4,638	4.08%
Municipal General Liability	\$255,000	\$225,000	\$30,000	13.33%
Cyber Policy	\$25,000	\$26,239	(\$1,239)	-4.72%
Drone Liability Policy	\$1,550	\$1,550	\$0	0.00%
Environmental Impairment	\$10,305	\$9,814	\$491	5.00%
Equipment Breakdown	\$13,744	\$12,787	\$957	7.48%
Excess Liability	\$40,425	\$38,500	\$1,925	5.00%
Transit	\$20,500	\$20,500	\$0	0.00%
Marine Liability Policy	\$5,450	\$5,250	\$200	3.81%
Municipal Official/Volunteer	\$3,258	\$3,426	(\$168)	-4.90%
Out of Province Medical	\$825	\$825	\$0	0.00%
Property/Crime Package	\$558,152	\$523,614	\$34,538	6.60%
Volunteer Fire Fighter	\$2,000	\$2,000	\$0	0.00%
Ontario Sales Tax - 8%	\$73,917	\$68,549	\$5,368	7.83%
Total	\$1,136,824	\$1,061,747	\$77,100	7.26%

CURRENT VALUE ASSESSEMENTS (CVA)

The Ontario Government announced in 2023 that the 2024 Municipal Property Assessment Corporation (MPAC) Assessment Update for current value assessments on properties has been further postponed. Property assessments for the 2024 taxation year will continue to be based on the fully phased-in January 1, 2016 current values.

TRANSFERS FROM RESERVE

It is not recommended to use reserves to offset operational expenses. The exception to this rule is elections; in the actuals for 2022, funds are transferred from the Elections Reserve to Elections operations.

TRANSFERS TO RESERVE

A summary of current budgeted transfers to reserve is below; the draft budget has been prepared citing a \$250,000 increase to reserve.

Transfers To Reserve from Operation Budget	2024 Budget	2023 Budget	Variance	Reserve Notes
Clerk	\$22,500	\$22,500	\$0	Elections
Information Technology	\$50,000	\$50,000	\$0	Information Technology
Family Heath Team	\$150,000	\$150,000	\$0	Physician Recruitment
General Government	\$310,000	\$60,000	\$250,000	Working Funds
Fire Department	\$150,000	\$150,000	\$0	Protection to Persons & Property
Fire Department (MNR)	\$2,326	\$2,150	\$176	Protection to Persons & Property
Facilities - Administration	\$200,000	\$200,000	\$0	Building & Facilities
Operations - Administration	\$250,000	\$250,000	\$0	Public Works - Infrastructure
Public Works-Equipment Maintenance	\$500,000	\$500,000	\$0	Fleet
Transit System	\$75,000	\$75,000	\$0	Fleet
Municipal Airport	\$100,000	\$100,000	\$0	Building & Facilities
Recreation	\$5,000	\$5,000	\$0	Fleet
Stone Ridge Golf Course	\$30,000	\$30,000	\$0	Fleet
Mount Dufour Ski Hill	\$55,000	\$55,000	\$0	Mount Dufour Ski Hill
Parks-Trails	\$20,000	\$20,000	\$0	Building & Facilities
Miners Monument Park	\$1,500	\$1,500	\$0	Miners Memorial Care Fund
Arts & Culture	\$0	\$0	\$0	Arts & Culture
Economic Development	\$25,000	\$25,000	\$0	Economic Development
Total Contributions	\$1,946,326	\$1,696,150	\$250,176	

These additional contributions are derived directly from activity within the cost centre, and are subject to change based on performance.

Additional Contributions based on performance	2024 Budget	2023 Budget	Variance	Reserve Notes
Woodlands Cemetery	\$19,845	\$20,595	(\$750)	Cemetery Capital Development Correlated to Net Revenue for Cost Centre
Residential Development Wireless Towers	\$19,986	\$25,796	(\$5,810)	Wireless Towers Correlated to Net Revenue for Cost Centre
Treasury	\$871,009	\$353,710	\$517,300	Correlated to Interest Revenue
Public Library	\$2,804	\$2,322	\$482	Public Library Correlated to Transit Ticket Sales

ANALYSIS: DEPARTMENTAL ANALYSIS

In the text to follow, changes and variance notes in the 2024 operating budget are further explained on a by department basis. To follow through this section, please follow along with “SCHEDULE A: CITY OF ELLIOT LAKE - 2024 Budget Detailed Summary”.

MAYOR AND COUNCIL

At the February 21, 2023 adhoc budget meeting, Council reviewed an in-camera report from the Director of Finance/Treasurer titled ‘2023 Salaries and Benefits Budget’. This report detailed that following the election, a remuneration committee would be created to review Council remuneration.

Later in 2023, after a detailed review by the Clerk and Treasurer determined that the requirement for a committee was to be removed and replaced with a CPI increase. Bylaw 04-79 (Office Consolidation – 17-53, 18-44, 19-07), “that Council remuneration be increased annually in accordance with the Consumer Price Index (CPI) as indicated by the percentage change from the previous year for All Items in the Province of Ontario, as listed on the StatsCan website and identified by the Treasurer”.

In 2023, remuneration was reflective of the 2022 rates.

At the January 29, 2024 in-camera adhoc budget meeting, Council was provided with analysis pertaining to CPI increases as detailed in Bylaw 04-79. Appendix A - Table 1, provides a summary of remuneration for Council including CPI for 2023 and 2024 remuneration rates, including increases for 2023 of 5.51% and 2024 of 2.99%.

Upon review of Appendix A, staff were directed to budget for remuneration at the 2022 rates in 2024 and bring Bylaw 04-79 to an upcoming Bylaw committee meeting for review.

CHIEF ADMINISTRATIVE OFFICER

Based on a three year average, contracted services has been reduced by \$2,500.

CLERK & ELECTION

Increases in revenue pertaining to marriage licences and miscellaneous revenue are noted. These increases are due to prudent review and increases to the User Fees. Examples of miscellaneous

revenue includes; commissions of oaths, and freedom of information requests. Based on a three year average, contracted services were reduced by \$5,000.

HUMAN RESOURCES

The city provides extended health benefits for retirees. Based on 2024 known rates, the 2024 budget accounts for 18 retirees with an estimated expense of \$102,338.

In line with City Policies, Employee Service Recognition is included in the HR operating budget for 2024. 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 (\$1,500).

SERVICE RECOGNITION MILESTONES		
Years' Service	\$ Gift Card	# of Employees
35	\$400.00	0
30	\$300.00	0
25	\$200.00	0
20	\$100.00	2
15	\$75.00	1
10	\$50.00	4
5	\$25.00	7
Total Employees		14
Total \$		\$650.00

Employee Service		# of	\$ Total	\$ Gift
Holiday Gift Cards		Employees		Card
Full Time	Council	7	\$210.00	\$30.00
	CUPE	61	\$1,830.00	
	Fire	11	\$330.00	
	Management	25	\$750.00	
Part Time	Part Time	65	\$1,300.00	\$20.00
	Vol. Fire	16	\$320.00	
	X-Guards	11	\$220.00	
Total		196	\$4,960.00	

INFORMATION TECHNOLOGY

To achieve economies of scale, the responsibility for all expenses related to support for electronic hardware, software and any associated consulting is the responsibility of the Director of Information Technology. Therefore, interdepartmental shifts in budgets are documented in the 2024 budget. Due to known ongoing support of new and legacy systems, increases to contracted services are required.

City of Elliot Lake	2024 Budget	2023 Budget	Variance	2023 Actual unaudited
IT COMPUTER SOFTWARE				
General Government & Website	33,100	49,000	(15,900)	32,116
Clerks/CAO/Council	4,700	20,000	(15,300)	4,289
General Software	20,000	66,500	(46,500)	13,904
Treasury	126,642	62,000	64,642	-
Fire Services	10,000	-	10,000	9,172
Public Works / GIS Mapping	23,820	28,000	(4,180)	37,259
Recreation and Culture	16,500	7,200	9,300	15,941
Total	234,762	232,700	2,062	112,682

City of Elliot Lake	2024 Budget	2023 Budget	Variance	2023 Actual unaudited
IT CONTRACTED SERVICES				
General Government	105,000	77,000	28,000	125,482
Clerks/CAO/Council	35,000	25,000	10,000	38,511
Treasury	60,000	-	60,000	57,560
Public Works / GIS Mapping	6,000	-	6,000	26,091
Total	206,000	102,000	104,000	247,644

Training has been shifted to Human Resources, as this allows for economies of scale and cross-departmental training when applicable.

RESIDENTIAL DEVELOPMENT -- WIRELESS TOWERS

As wireless towers are revenue neutral, any profit realized is transferred to reserves; this cost centre does not affect the levy.

WOODLANDS CEMETRY

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

FAMILY HEALTH TEAM

City staff continue 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 FHT 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. A budget line for municipal taxes has been sustained for 2024.

With respect to Contracted Services; in 2022, the City received notice that the funding provided for the virtual clinic was redirected to the in-person Nurse Practitioner Clinic at a cost of \$6,000/month. Also included in this budget line is \$43,500 for physician recruitment and \$6,500 for telephone expenses at the FHT. This support has been continued in 2024.

In 2022, Council approved an additional transfer of \$50,000 to the Physician Recruitment Reserve. The 2024 budget maintains a \$150,000 in transfer to reserve.

TREASURY

Conferences, Training and Memberships has been reduced by \$1,000. Contracted Services has been reduced by \$7,000, citing a transfer of responsibility for IT contracted services to the IT department. Fees due to Municipal Assessment Corporation for the recovery of property assessment services and support services is a known expenditure for 2024. Financial Expenses related to tax reductions is increased based on known three-year averages.

Training has been shifted to Human Resources, as this allows for economies of scale and cross-departmental training when applicable.

GENERAL GOVERNMENT

A use of a three-year average has been applied to the following lines, miscellaneous revenue, general office and stationary, office equipment, sundries, memberships, photocopying, 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, \$352K should be budgeted for legal; upon review of 2023 actuals, no increase has been recommended.

Municipal taxes have been reviewed and include a provision for the impending increase to taxation.

The Community Relations budget is set at \$10,500 supporting \$500 for incidental in year spending, and \$10,000 for the Elliot Lake Foodbank.

TAXES AND TRANSFERS

Transfer payments in lieu (PIL's) were underestimated in 2023; yielding additional revenue as captured in the 2024 budget.

The 2022 Ontario Municipal Partnership Fund (OMPF) remains unchanged with a total contribution to in the amount of \$8,190,000.

FIRE DEPARTMENT

A three-year average calculation has been employed increasing the expectation of revenue from miscellaneous recoveries. Based on a detailed review and the use of the three-year average, contracted services decreases by \$2,781 and uniforms decreases by \$1,800.

EMERGENCY MANAGEMENT

No significant variance to note.

BUILDING CONTROL

No significant variance to note.

BYLAW ENFORCEMENT

Revenue related to court fines has been drastically reduced, causing an increase to the budget. Citing pandemic related delays in collection of fines, the City was responsible to pay for court services in 2023. Pet and Taxi License revenue is increased in 2024 based on increases to user fees. Based on the three-year average, expenses related to animal shelter maintenance, uniforms, equipment and contracted services are increased.

COMMITTEE OF ADJUSTMENT

No significant variance to note.

FACILITIES

The Movie Theatre/Downtown Arts Centre is expected to open in 2024; to that extent, an operational budget is further established based estimates from actuals pertaining to utilities.

Expense reduction at the Rio Den are due to decreased utilities.

Building rental at the Pearson Plaza (Hart Store) is unchanged for 2024.

Facility operations for the Pool has decreased in 2024, primarily due to known closure and reduced utilities costs.

City Hall no significant variance to note.

The Police Station includes an increase for building maintenance.

Collins Hall sees an increase to utilities namely, natural gas consumption.

At Centennial Arena, a decrease in 2024 is realized due to known closure, pending repairs, and reduced utilities costs.

PUBLIC WORKS - ADMINISTRATION

Training has been shifted to Human Resources. This allows for economies of scale and cross departmental training when applicable. A review of contracted services and of the application of three-year average actuals creates a year over year increase of \$7,730.

PUBLIC WORKS – OPERATIONS

Sundry expenses are reduced based on a review of three-year actuals.

PUBLIC WORKS – BUILDING MAINTENANCE

No significant variance to note.

PUBLIC WORKS - EQUIPMENT MAINTENANCE

Increases are prevalent across renewals for contracted services, materials, fuel, and supplies. To that extent, the expense of routine maintenance is increased. The vehicle maintenance line is not revenue but rather a redistribution of expenses from the User Pay (Water Waste Water) budget, based on work performed, in-year, by our in-house mechanics.

PUBLIC WORKS OPERATIONS

Noting an increased transfer of distributed wages from Woodlands Cemetery and the Water/Waste Water Budget.

ROADS MAINTENANCE

Increases from 6-10% are prevalent during 2023 contract reviews. Sand, Salt and other materials have been increased based on average actuals +20%. Contracted Services is expected to increase by 30% while the crack sealing and line-painting contract are estimated to realize a 20% increase.

CONVENTIONAL TRANSIT SYSTEM & ACCESSIBLE TRANSIT

Provincially allocated gas tax funds are estimated to be static at \$140,817. The community transportation grant is known to be \$48,431 in 2024. Based on the three-year trend, the expectation of revenue from the Northland Shuttle is increased. Transit fees remain at the 2019 price. Based on current fuel prices, a 10% increase over the three-year average is predicted. Contracted Services have been increased with a 12% estimate for contract renewal. Vehicle Maintenance has increased based on the three-year average expenditure.

MUNICIPAL AIRPORT

Using the 2024 user fees and a three-year average, revenue at the airport is expected to increase slightly. Fuel costs have increased alongside building maintenance, materials, and contracted services.

STREET LIGHTING – REAL TERM ENERGY (RTE)

Based on the amortization schedule related to the 2015 loan for street lighting, we see an increased principle payment and a declining interest/warranty program payment. This budget line was 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.

STORM SEWER

A review of 2023 increases the materials budget inline with actuals and future plans for routine maintenance. Contracted services is slightly reduced based on rolling average actuals.

WASTE MANAGEMENT

Revenue collected from Recycling Partners has increased over 2023. Based on actuals, this revenue has been budgeted for. Contracted Services related to collection for recycling and the landfill have increased. Revenues at the landfill have decreased.

PARKS

Based on increased cost of materials, the budget for Leisure Parks increases in 2024. The 2023 budget provided that the City share in 1/3 of the costs for the Mississagi Park Foundation. This budget line has remained in 2024.

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 of Council, in 2020 through 2023 these funds were added to the operational budget and passed at the time of budget adoption.

On December 1, 2023, the City received a letter seeking continued support (Appendix B).

RECREATION

Includes sports field rentals, and the following events; Ice Fishing Derby, Street Dance, Winterfest, Canada Day, and programming at the Collins Hall. The Street Dance is budgeted based on council preapproval. Notably, new revenue lines have been added for City events as staff have been successful at attracting corporate sponsors.

Recreation	2024 Budget	2023 Budget	Variance	2023 Actuals (unaudited)	2022 Actual
Recreation Administration	\$428,619	\$372,860	\$55,759	\$426,970	\$256,130
Ice Fishing Derby	\$0	\$0	\$0	(\$6,382)	\$0
Street Dance	\$62,290	\$28,669	\$33,621	\$29,969	\$60,724
Winterfest	\$11,000	\$8,850	\$2,150	\$2,333	\$2,256
Canada Day Festival	\$22,150	\$22,150	\$0	\$1,581	\$16,882
Drag Races	\$0	\$0	\$0	\$0	\$36,375
Total	\$524,059	\$432,529	\$91,531	\$454,471	\$372,367

GOLF COURSE

No significant variance to note.

MOUNT DUFOUR SKI HILL

Based on the Memorandum of Understanding, a five-year commitment has been made to Mount Dufour Ski Hill; this financial commitment is included in the budget.

COLLINS HALL

Using a blended average for rental usage and in recognition of increases in User Fees, the revenue expectations at the Collins Hall have increased.

CENTENNIAL ARENA

Using a blended average for rental usage and in recognition of increases in User Fees, the revenue expectations at the Centennial Arena have increased.

CENTENNIAL ARENA - CANTEEN

Revenue for the canteen is directly correlated with food food costs. Using a blended average, the revenue expectations have increased, along with the calculations for cost of goods sold. No significant variance to note.

RUBEN YLI JUUTI CENTRE – INCLUDING BEACHES

At the time of report writing, the Ruben Yli Jutti Centre remains closed. The 2024 budget has been prepared without this consideration. In an administrative correction, all staff from the beaches have been budgeted to the pool cost center. Expenses have been reviewed and updated based on known costs.

Sustaining the budgets for the pool is vital to ensure that budget consideration is in place for the reopening.

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. Trails, has no significant variance to note. The Trailhead budget increases based the continuation of the successful 2024 Trailhead Ambassadors program. At the time of report writing, grant applications to offset staffing and marketing materials for the Trailhead are in progress.

WELCOME CENTRE

With staffing shifted from the Welcome Centre to Recreation Administration, the budget is limited to Sundry Expenses. Using a three-year blended average, the budget has decreased.

MINERS MONUMENT

Status quo budgets are maintained.

ARTS & CULTURE

No significant variance to note.

ARTS TOUR

Through strategic community partnership, the arts tour budget is reduced by \$1,000.

NUCLEAR MUSEUM

In Fall 2023, the City acquired the Holy Trinity United Church. The building is intended to be used as a museum and multi-functional arts space. The 2024 budget provides for building maintenance, utilities and contracted services related to the acquisition and to establish budgetary amounts.

At the time of writing this report, there were no known grants for the museum. All other budgets are maintained.

COMMUNITY EVENTS

Created to provide limited financial sponsorship 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.

SPECIAL EVENTS

Based on actuals, the estimate for the annual volunteer dinner is increased by \$4,500.

ECONOMIC DEVELOPMENT

At the time of writing this report, the Economic Development Department has an active grant application to hire a tourism coordinator. This position is included in the salaries and benefits line. If

the department is successful, then the intern would be hired. The revenue from the grant offsets the increase to salaries and wages.

Based on current registered commitments a decrease of \$1,000 for conferences and conventions is included. Memberships costs are reduced as the City will no longer be a member of HNCEA. Further details for advertising, contracted services, memberships and conferences are provided below.

Advertising		Contracted Services	
On Route	\$1,360	Strategic Plan - Tourism	\$80,000
Shop Local (2 events)	\$10,000	Total	\$80,000
Mississagi Park	\$1,000	Memberships	
Ashley Rae	\$6,000	EDCO	\$635
OFSAA Sponsorship	\$1,000	EDAC	\$300
Trail Report	\$3,250	Algoma Country	\$2,900
Travel Guides (2): Algoma & Elliot Lake	\$6,750	Total	\$3,835
Map Advertising (3): AK, ASPA, OFATV	\$2,900	Conferences	
Driftscape	\$7,000	EDCO	\$2,000
Northern Volley Ball	\$500	NOTS	\$1,000
Sarich Classic	\$300	Total	\$3,000
Service Shop Local	\$1,000		
Arts Tourism Attraction Videos	\$1,000		
Michigan Snowmobiler	\$2,000		
Billboard Advertising	\$10,140		
Social and Promotional	\$14,300		
Small Business Show	\$1,500		
Total	\$70,000		

POLICING

Honorariums and benefits for the Police Services Board remain status quo in 2024. Based on the 2024 OPP annual billing statement, the cost for policing is increased. The most significant adjustments result from the cost of actual versus the estimated municipal requirements for overtime, contract enhancements and court security.

ALGOMA PUBLIC HEALTH UNIT (APH)

Based on the 2024 Municipal Levy Notice, APH has approved a budget with a 6% increase to the Municipal levy for the 2024 operating year relative to 2023. The City's apportionment of the levy is based on 2016 Census Data provided by Statistics Canada.

ALGOMA DISTRICT SERVICES BOARD (ADSB)

Based on estimates retained from Council, the Algoma District Services Board is estimating an apportionment increase of 2.98% for the 2024 operating year relative to 2023.

After review with the Chief Librarian, the Public Library is budgeted with an increase of 2.62%. Revenue expectations are projected using a three year blended average. There are few other areas of significance to note. 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 \$98,000 (MPAC valuation). Current Assessment Value (CVA) is the basis for the calculation of municipal property taxes.

In 2023, taxes due on a median/typical single family home totalled \$2,273. In 2024, the same home would realize property taxes in the amount of \$2,478. Given adoption of the 2024 operating budget as presented in Schedule A, a median/typical single family home would incur taxes in the amount of \$2,478 in 2024; an increase of 8.99% over 2023.

Median/Typical Property Estimated Municipal Taxes	2024 CVA	Actual Taxes 2023	Estimated Tax	% Increase from 2023
Single Family Home	\$98,000	\$2,273	\$2,478	8.99%
Seasonal Recreational Dwelling	\$198,000	\$4,229	\$4,603	8.85%
Residential Condominium Unit	\$61,000	\$1,415	\$1,542	8.99%
Managed Forest	\$29,500	\$158	\$171	8.86%
Apartment Building	\$1,367,000	\$57,276	\$62,587	9.27%
Small Office Building	\$167,000	\$8,425	\$9,078	7.74%
Small Retail Commercial Property	\$183,600	\$9,263	\$9,980	7.74%
Standard Industrial Property	\$236,000	\$9,620	\$10,346	7.55%
average				8.50%

INCREASES TO RESERVE

The 2024 Budget as presented with a levy of \$15,342,792 includes \$1,946,326 in transfer to reserve (direct from the operating budget). For the purposes of discussion only, detailed below are the impacts of increasing the levy to increase reserves.

Increased Transfer to Reserve	% Levy Increase	Levy Requirement
\$0	8.33%	\$15,092,792
\$100,000	9.05%	\$15,192,792
\$150,000	9.41%	\$15,242,792
\$250,000	10.13%	\$15,342,792

Based on estimates from the Ontario Ministry of Finance, Online Property Tax Analysis (OPTA). The following sensitivity analysis demonstrates the impact of increasing transfer to reserves.

Total Levy	\$13,931,968	\$15,092,792	\$15,192,792	\$15,242,792	\$15,342,792
Median/Typical Property <i>Additional Transfer to reserve</i>	Actual Taxes 2023	Estimated Tax \$0	Estimated Tax \$100,000	Estimated Tax \$150,000	As Presented Estimated Tax \$250,000
Single Family Home	\$2,273	\$2,440	\$2,455	\$2,463	\$2,478
Seasonal Recreational Dwelling	\$4,229	\$4,534	\$4,562	\$4,575	\$4,603
Residential Condominium Unit	\$1,415	\$1,519	\$1,528	\$1,533	\$1,542
Managed Forest	\$158	\$169	\$170	\$170	\$171
Apartment Building	\$57,276	\$61,614	\$62,003	\$62,198	\$62,587
Small Office Building	\$8,425	\$8,984	\$9,021	\$9,040	\$9,078
Small Retail Commercial Property	\$9,263	\$9,877	\$9,918	\$9,939	\$9,980
Standard Industrial Property	\$9,620	\$10,213	\$10,266	\$10,292	\$10,346

RECOMMENDATION

It is recommended that council approve the 2024 Operating Budget.