

2023 Operating Budget

April 5, 2023

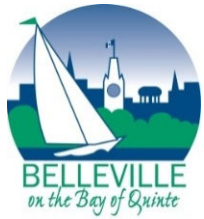
Brandon Ferguson

Director of Finance/Treasurer



Operating Budget Process

- Budget principles and objectives, roles and responsibilities and processes are provided in the Budget & Financial Controls Policy
- The Proposed 2023 Operating Budget has been developed in collaboration with management staff and the Finance Committee
- Finance has worked with management on a “line by line” basis to determine savings and efficiencies for all City departments
- Budget estimates have been prepared on a conservative basis to manage the inflationary environment as best as possible.



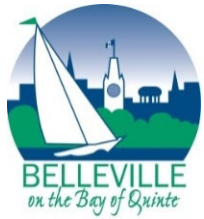
Operating Budget Process

Operating Budgets are provided for:

- Section A - Tax Supported
- Section B - User Rate Funded (Water, Wastewater, Parking)

Operating Budget documents consist of :

- Base Budget Adjustments
- Operating Issues Summary/Details
- Operating Budget Detail
- Tax Rate Model: Budget Impact (Section A only)



Operating Budget Pressures

Cost Area	Budget Section
<ul style="list-style-type: none">Fleet and fuel costs	<i>Base budget adjustments</i>
<ul style="list-style-type: none">Insurance	<i>Base budget adjustments</i>
<ul style="list-style-type: none">Contractual agreement	<i>Base budget adjustments</i>
<ul style="list-style-type: none">Protective Services – Police	<i>Operating issue</i>
<ul style="list-style-type: none">External Agencies	<i>Operating issue</i>
<ul style="list-style-type: none">Asset Management	<i>Operating issue</i>
<ul style="list-style-type: none">Additional Health Care support	<i>Operating issue</i>



Operating Budget Highlights

- The Budget reflects issues which address important priorities for Council's consideration:

Legislative Compliance

- | | |
|-----------------------------|----------------------------------|
| • Asset Management Planning | • Asset Management Contributions |
|-----------------------------|----------------------------------|

Healthcare

- | | |
|--|--------------------------------|
| • University Hospitals Kingston Contribution | • Doctor Recruitment Expansion |
|--|--------------------------------|

Environmental

- | | |
|---|----------------------------|
| • Waste Audit | • Greenhouse Gas Inventory |
| • Linear Environmental Compliance Approval Implementation | |

Transportation & Mobility

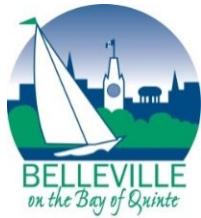
- | | |
|--|-------------------------------|
| • Full Mobility Service to Entire Municipality | • Free High School Bus passes |
|--|-------------------------------|

Economic Development & Business Support

- | | |
|------------------|-----------------|
| • Work in Quinte | • Quintelicious |
|------------------|-----------------|

Protective Services

- | | |
|--------------------------------|----------------------------|
| • Expansion of Police Services | • Fire services investment |
|--------------------------------|----------------------------|



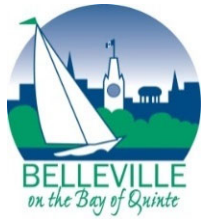
2023 Operating Budget

Total Operating Budget

	Proposed 2023	Approved 2022	% Change 2023-2022
City Budget	\$ 190,015,300	\$ 166,317,600	14.25%
Education Taxes	18,731,300	18,597,500	0.72%
Total Budget	\$ 208,746,600	\$ 184,915,100	12.89%

City Budget by Funding Area

	Proposed 2023	Approved 2022	% Change 2023-2022
Tax Supported	\$ 150,763,700	\$ 136,336,900	10.58%
User Rate Supported		-	
Water	19,599,100	17,163,500	14.19%
Wastewater	18,849,900	12,068,200	56.19%
Parking	802,600	749,000	7.16%
	\$ 39,251,600	\$ 29,980,700	30.92%
Total Funding	\$ 190,015,300	\$ 166,317,600	14.25%



2023 Operating Budget

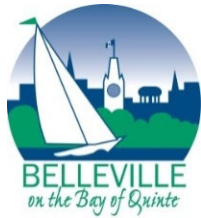
Section A – Tax Supported



2023 Operating Budget - Taxation

Property Tax Supported Operating Budget - Funding Breakdown

	Proposed		% Change
	2023	2022	2023-2022
Total Tax Supported Expenditures	\$ 150,763,700	\$ 136,336,900	10.58%
Less: Other Revenue			
Other Taxation	\$ (289,700)	\$ (311,400)	-6.97%
<u>Departmental Revenue</u>			
User Fees & Charges	17,556,000	15,733,300	11.58%
Admin Reserve Funding - DC Exemption	5,077,800	789,200	543.41%
Municipal Accommodation Tax	1,000,000	900,000	11.11%
Development Charge funding	1,724,900	2,219,700	-22.29%
Elexicon Funding	1,180,000	1,174,000	0.51%
Conditional Grants	1,768,800	2,065,100	-14.35%
	\$ 28,307,500	\$ 22,881,300	23.71%
Investment Income	400,000	400,000	0.00%
Tax Rate Stabilization Reserve Fund	-	1,057,600	
Other	200,000	186,100	7.47%
	\$ 28,617,800	\$ 24,213,600	18.19%
Property Tax Funding Required	\$ 122,145,900	\$ 112,123,300	8.94%



2023 Operating Budget – Taxation

Net Property Tax Supported City Operating Budget

	% of Total Budget	Proposed 2023	2022	% Change 2023-2022
City Departments	61.07%	\$ 74,598,700	\$ 68,080,700	9.57%
City Boards				
Library	2.09%	\$ 2,555,400	\$ 2,451,500	4.24%
Police	19.30%	23,568,600	21,888,900	7.67%
	21.39%	\$ 26,124,000	\$ 24,340,400	7.33%
External Agencies				
<i>Special Purpose Bodies</i>				
Quinte Economic Development	0.20%	\$ 245,100	\$ 216,000	13.47%
BQRMB	0.07%	86,900		0.00%
Quinte Waste Solutions	1.24%	1,517,300	1,166,800	30.04%
Quinte Conservation	0.86%	1,052,900	950,700	10.75%
Stirling Arena	0.06%	72,000	51,500	39.81%
911	0.07%	79,700	78,300	1.79%
Quinte Arts Council	0.03%	42,500	37,500	13.33%
Volunteer & Information Quinte	0.01%	10,000	10,000	0.00%
	2.54%	\$ 3,106,400	\$ 2,510,800	23.72%
<i>Provincially Mandated</i>				
Prov. Offences Revenue	0.00%	\$ -	\$ 13,900	-100.00%
EMS	3.70%	4,519,000	4,137,600	9.22%
Social Housing	5.13%	6,263,300	5,712,000	9.65%
Social Services	1.73%	2,118,700	2,303,600	-8.03%
LTC - Hastings Manor	2.48%	3,026,500	2,770,700	9.23%
LTC - Centennial Manor	0.46%	565,700	498,100	13.57%
MPAC	0.52%	640,100	639,400	0.11%
Health Unit	0.97%	1,183,500	1,116,100	6.04%
	15.00%	\$ 18,316,800	\$ 17,191,400	6.55%
Total External Agencies	17.54%	\$ 21,423,200	\$ 19,702,200	8.74%
Total Operating Budget	100.00%	\$ 122,145,900	\$ 112,123,300	8.94%





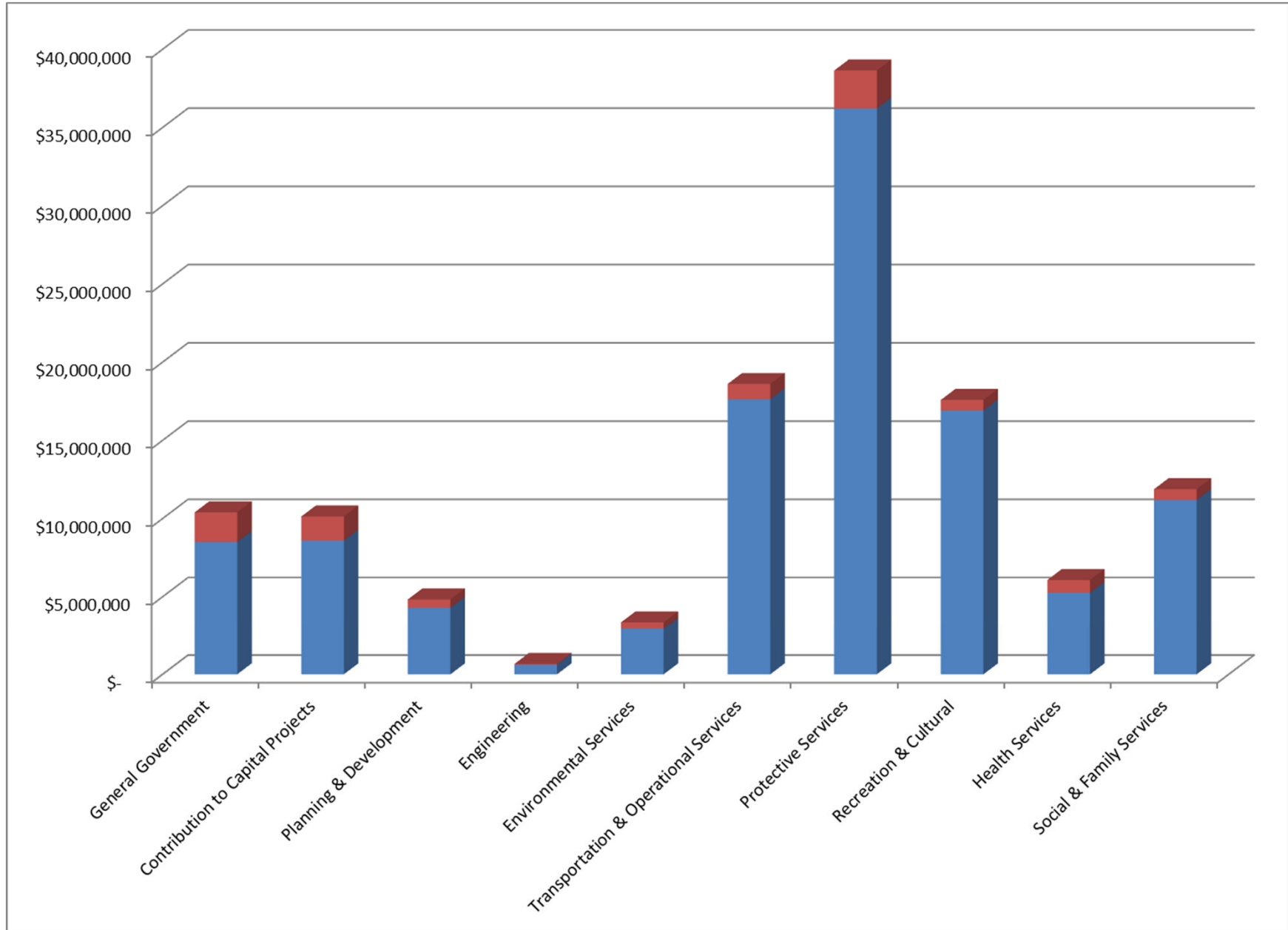
2023 Operating Budget – Taxation

Net Property Tax Supported City Operating Budget

Area	% of Total Budget	Proposed 2023	2022	% Change 2022-2023
General Government	8.52%	\$ 10,394,200	\$ 8,499,200	22.30%
Contribution to Asset Management	8.29%	10,127,500	8,584,000	17.98%
Planning & Development	3.95%	4,828,100	4,296,100	12.38%
Engineering	0.54%	660,800	620,900	6.43%
Environmental Services	2.75%	3,361,800	2,928,200	14.81%
Transportation & Operational Services	15.23%	18,602,200	17,634,200	5.49%
Protective Services	31.64%	38,641,800	36,212,700	6.71%
Recreation & Cultural	14.39%	17,581,800	16,909,900	3.97%
Health Services	4.97%	6,073,500	5,253,700	15.60%
Social & Family Services	9.72%	11,874,200	11,184,400	6.17%
	100.00%	\$ 122,145,900	\$ 112,123,300	8.94%



2023 Operating Budget – Taxation





2023 Operating Budget – Taxation

2023 Base Adjustments	Amount	Budget Impact %
Pre-approved Operating Budget items	\$ -	0.00%
Contractual Service Agreements		
Compensation agreements	1,738,300	1.55%
Other contractual agreements	395,800	0.35%
	\$ 2,134,100	1.90%
Capital Financing	635,100	0.57%
Operating Revenue/costs		
Insurance	338,600	0.30%
Fleet	434,900	0.39%
Heating	280,800	0.25%
Other Operating costs / revenues	232,300	0.21%
	\$ 1,286,600	1.15%
Annualized/ Eliminated prior year issues	(94,000)	-0.08%
Total 2023 Base Adjustments	\$ 3,961,800	3.53%



2023 Operating Budget - Taxation

Operating Issues

Category	Description	Applies To	Budget Impact %
D1	City Boards	Police & Library	1.59%
D2	External Agencies – Special Purpose Bodies	i.e. Quinte Conservation, QEDC, Quinte Waste Solutions	0.54%
D3	External Agencies – Provincially Mandated	Hastings County, MPAC, Health Unit	1.01%
D4	Legislative Compliance or Health & Safety	City Departments	1.06%
D5	Maintain Existing Service Levels	City Departments	0.13%
D6	Enhance Existing Service Levels	City Departments	1.08%
	Total Budget Impact	- Operating Issues	5.41%



2023 Operating Budget - Taxation

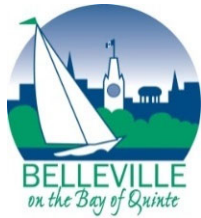
- Total Operating Budget Increase** **\$10,022,600**
 - City Departments Budget 5.81%
 - City Boards Budget 1.59%
 - External Agencies Budget 1.54%
 - % Increase Total Operating budget** **8.94%**

- Assessment Growth 2022-2023** **1.29%**

- Residential Property Tax Change:**

	Municipal	Education	Total
Belleville Urban	7.71%	0.00%	7.02%
Cannifton Urban	8.21%	0.00%	7.44%
Cannifton Rural	8.65%	0.00%	7.76%
Rural	9.13%	0.00%	8.02%

-No change in assessment from 2022



Property Assessment

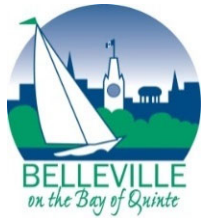
2022-2023 Assessment Analysis

City of Belleville Assessment

2022 to 2023

2022 to 2023

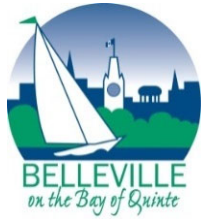
Property Class	Total 2022 Assessment	Phase In			Total 2023 Assessment	Phase In		
		Growth	(Equity)	Total		Growth	(Equity)	Total
Residential	4,331,031,941	90,925,409	-	90,925,409	4,421,957,350	2.10%	0.00%	2.10%
Multi-Residential	295,837,800	(6,816,000)	-	(6,816,000)	289,021,800	-2.30%	0.00%	-2.30%
Commercial	1,180,433,495	(771,500)	-	(771,500)	1,179,661,995	-0.07%	0.00%	-0.07%
Industrial	180,464,800	1,334,700	-	1,334,700	181,799,500	0.74%	0.00%	0.74%
Farms	103,111,200	(1,303,700)	-	(1,303,700)	101,807,500	-1.26%	0.00%	-1.26%
Other	25,575,000	92,000	-	92,000	25,667,000	0.36%	0.00%	0.36%
Total Taxable	6,116,454,236	83,460,909	-	83,460,909	6,199,915,145	1.36%	0.00%	1.36%
Exempt	444,146,200	1,115,100	-	1,115,100	445,261,300	0.25%	0.00%	0.25%
Total Assessment	6,560,600,436	84,576,009	-	84,576,009	6,645,176,445	1.29%	0.00%	1.29%



Property Assessment

Assessment Growth by Area

Property Area	Total 2022 Assessment (\$)	Total 2023 Assessment (\$)	Change in Assessment (\$)	% Change in Assessment (%)	Share of Total Assessment (%)
Belleville Urban	4,900,693,036	4,958,004,036	57,311,000	1.17%	74.61%
Cannifton Urban	106,614,400	75,981,400	(30,633,000)	-28.73%	1.14%
Cannifton Rural	608,009,100	654,641,809	46,632,709	7.67%	9.85%
Rural	945,283,900	956,549,200	11,265,300	1.19%	14.39%
Total Assessment	6,560,600,436	6,645,176,445	84,576,009	1.29%	100.00%



2023 Tax Rate Change - Analysis

Belleville Urban Tax Table

Breakdown of Changes to the Property Tax Rate by Area

BELLEVILLE URBAN	Residential	Multi-Residential	Commercial	Industrial
Change in Tax Rates				
2022 Rates	\$ 0.015452	\$ 0.030904	\$ 0.029655	\$ 0.037085
2023 Rates	\$ 0.016644	\$ 0.033288	\$ 0.031942	\$ 0.039946
Impact of Assessment Growth	-0.900%	-0.900%	-0.900%	-0.900%
Impact of 2023 Budget Increase	8.716%	8.716%	8.716%	8.716%
Impact Core Mobility	-0.102%	-0.102%	-0.102%	-0.102%
- Net Change to Tax Rate 2023 vs 2022	7.714%	7.714%	7.714%	7.714%
Estimated Average Assessment	250,000	1,800,000	800,000	800,000
2022 Total taxes (including Education)	4,245.53	58,381.67	30,763.62	36,708.09
2023 Total taxes (including Education)	4,543.52	62,672.72	32,593.63	38,996.65
Annual increase	297.99	4,291.06	1,830.01	2,288.56
per month	24.83	357.59	152.50	190.71
per day	0.82	11.76	5.01	6.27
Total Tax % increase	7.02%	7.35%	5.95%	6.23%



2023 Tax Rate Change - Analysis

Cannifton Urban Tax Table

Breakdown of Changes to the Property Tax Rate by Area

CANNIFTON URBAN	Residential	Multi-Residential	Commercial	Industrial
Change in Tax Rates				
2022 Rates	\$ 0.014738	\$ 0.029476	\$ 0.028284	\$ 0.035371
2023 Rates	\$ 0.015948	\$ 0.031896	\$ 0.030606	\$ 0.038275
Impact of Assessment Growth	-0.880%	-0.880%	-0.880%	-0.880%
Impact of 2023 Budget Increase	8.716%	8.716%	8.716%	8.716%
Impact Core Mobility	0.374%	0.374%	0.374%	0.374%
- Net Change to Tax Rate 2023 vs 2022	8.211%	8.211%	8.211%	8.211%
Estimated Average Assessment	250,000	1,800,000	800,000	800,000
2022 Total taxes (including Education)	4,066.95	55,810.08	29,666.91	35,336.58
2023 Total taxes (including Education)	4,369.46	60,166.26	31,524.70	37,659.87
Annual increase	302.51	4,356.18	1,857.79	2,323.30
per month	25.21	363.02	154.82	193.61
per day	0.83	11.93	5.09	6.37
Total Tax % increase	7.44%	7.81%	6.26%	6.57%



2023 Tax Rate Change - Analysis

Cannifton Rural Tax Table

Breakdown of Changes to the Property Tax Rate by Area

CANNIFTON RURAL	Residential	Multi-Residential	Commercial	Industrial
Change in Tax Rates				
2022 Rates	\$ 0.013325	\$ 0.026649	\$ 0.025571	\$ 0.031979
2023 Rates	\$ 0.014477	\$ 0.028954	\$ 0.027783	\$ 0.034745
Impact of Assessment Growth	-1.079%	-1.079%	-1.079%	-1.079%
Impact of 2023 Budget Increase	9.315%	9.315%	9.315%	9.315%
Impact Core Mobility	0.413%	0.413%	0.413%	0.413%
- Net Change to Tax Rate 2023 vs 2022	8.650%	8.650%	8.650%	8.650%
Estimated Average Assessment	250,000	1,800,000	800,000	800,000
2022 Total taxes (including Education)	3,713.63	50,722.31	27,497.12	32,623.10
2023 Total taxes (including Education)	4,001.78	54,871.59	29,266.67	34,836.05
Annual increase	288.14	4,149.29	1,769.55	2,212.95
per month	24.01	345.77	147.46	184.41
per day	0.79	11.37	4.85	6.06
Total Tax % increase	7.76%	8.18%	6.44%	6.78%



2023 Tax Rate Change - Analysis

Rural Tax Table

Breakdown of Changes to the Property Tax Rate by Area

RURAL	Residential	Multi-Residential	Commercial	Industrial
Change in Tax Rates				
2022 Rates	\$ 0.011077	\$ 0.022153	\$ 0.021257	\$ 0.026584
2023 Rates	\$ 0.012088	\$ 0.024176	\$ 0.023198	\$ 0.029011
Impact of Assessment Growth	-1.094%	-1.094%	-1.094%	-1.094%
Impact of 2023 Budget Increase	9.727%	9.727%	9.727%	9.727%
Impact Core Mobility	0.497%	0.497%	0.497%	0.497%
- Net Change to Tax Rate 2023 vs 2022	9.131%	9.131%	9.131%	9.131%
Estimated Average Assessment	250,000	1,800,000	800,000	800,000
2022 Total taxes (including Education)	3,151.64	42,629.56	24,045.79	28,306.97
2023 Total taxes (including Education)	3,404.48	46,270.53	25,598.56	30,248.81
Annual increase	252.84	3,640.97	1,552.77	1,941.85
per month	21.07	303.41	129.40	161.82
per day	0.69	9.98	4.25	5.32
Total Tax % increase	8.02%	8.54%	6.46%	6.86%



2022 Operating Budget

Section B – User Rate Funded

- **Water**
- **Wastewater**
- **Parking**



2023 Operating Budget – User Rate

Water Budget Summary

	Amount	Budget Impact %
2022 Water Budget	\$ 17,163,500	
Base Adjustments	2,435,600	14.19%
Management Recommend	-	0.00%
Operating Issues	-	0.00%
2023 Proposed Water Budget	\$ 19,599,100	14.19%



2023 Operating Budget – User Rate

Water Budget

	<i>% of Total Budget</i>	Proposed 2023	2022	% Change 2022-2023
Water Revenue				
Metered	49.42%	9,685,600	9,321,400	3.91%
Bulk	2.75%	538,800	555,900	-3.08%
Flat Rate	0.28%	54,700	53,600	2.05%
Water Sales	52.45%	10,279,100	9,930,900	3.51%
Service Charges	26.60%	5,212,600	5,161,200	1.00%
Fire Protection	6.75%	1,323,200	1,309,100	1.08%
Fixed Charges	33.35%	6,535,800	6,470,300	1.01%
Customer Fees	0.47%	91,300	87,200	4.70%
Other Revenue	13.74%	2,692,900	675,100	298.89%
Total Water Revenue	100.01%	19,599,100	17,163,500	14.19%
Water Expenditures				
Water Treatment	18.37%	\$ 3,600,100	\$ 3,345,600	7.61%
Water Distribution	14.78%	2,896,200	2,731,700	6.02%
Financing (Debt)	5.34%	1,047,200	1,060,900	-1.29%
Customer Service / Administration	14.86%	2,911,500	801,700	263.17%
Meter Reading	0.51%	100,000	85,000	17.65%
IT	0.16%	32,000	26,000	23.08%
Transfer to Capital	45.98%	9,012,100	9,112,600	-1.10%
Total Water Expenditures	100.00%	19,599,100	17,163,500	14.19%



2023 Operating Budget – User Rate

Wastewater Budget Summary

	Amount	Budget Impact %
2022 Wastewater Budget	\$ 12,068,200	
Base Adjustments	6,781,700	56.19%
Management Recommendations	-	0.00%
Operating Issues	-	0.00%
2023 Proposed Wastewater Budget	\$ 18,849,900	56.19%



2023 Operating Budget – User Rate

Wastewater Budget

	Proposed 2023	2022	% Change 2022-2023
Wastewater Revenue			
Metered	13,051,000	11,846,700	10.17%
Work Orders	29,000	29,000	0.00%
Local Improvements	69,200	19,200	260.42%
Development Charges	113,300	113,300	0.00%
Transfer from reserve	5,501,400		
Other	86,000	60,000	43.33%
Total Wastewater Revenue	18,849,900	12,068,200	56.19%
Wastewater Expenditures			
Collection (incl Work Orders)	1,320,300	1,284,200	2.81%
Pumping Stations	313,000	267,500	17.01%
Treatment (incl Grinder Pumps)	3,772,500	3,527,300	6.95%
Administration	8,437,200	2,588,900	225.90%
Transfer to Capital	5,006,900	4,400,300	13.79%
Total Wastewater Expenditures	18,849,900	12,068,200	56.19%



2023 Operating Budget – User Rate

Parking Budget Summary

		Amount	Budget Impact %
2022 Parking Budget	\$	749,000	
Base Adjustments		3,600	0.48%
COVID-19 Adjustments		-	0.00%
Operating Issues		50,000	6.68%
2023 Proposed Parking Budget	\$	802,600	7.16%



2023 Operating Budget – User Rate

Parking Budget

	<i>% of Total Budget</i>	Proposed 2023	2022	% Change 2022-2023
Parking Revenue				
Meters	33.63%	270,000	290,000	-6.90%
Permits	24.05%	193,000	173,000	11.56%
Fines & Violations	33.77%	271,000	286,000	-5.24%
Reserve Fund Contribution	8.55%	68,600	-	0.00%
Total Parking Revenue	100.00%	802,600	749,000	7.16%
Parking Expenditures				
Lots & Maintenance	31.70%	254,400	281,400	-9.59%
Enforcement	23.67%	190,000	120,000	58.33%
Financing (Debt)	8.58%	68,900	68,900	0.00%
Operations	36.05%	289,300	221,000	30.90%
Contribution to Reserve	0.00%	-	57,700	-100.00%
Total Parking Expenditures	100.00%	802,600	749,000	7.16%



Closing Remarks

- Property Tax billing;
 - Tax Rates will be forwarded to the April 24 Council meeting for approval
 - Property Tax bills will be mailed on May 15th;
 - Tax Instalments will be due on June 28 and September 27
- Continued review of user fees and rates as we look toward 2024 budget
- Re-assessment originally scheduled for January 1, 2020, Still awaiting direction from the Province
- Continued Asset Management Plan work for legislative July 2024 deadline and development of 2024 Capital Budget