



Corporation of the Municipality of Temagami

Memo No.
2020-M-163

Memorandum to Council

Subject: 2021 Budget Planning

Agenda Date: **October 29, 2020**

Attachments:

RECOMMENDATION

BE IT RESOLVED THAT Council receive the 2021 Budget planning proposal received on November 19, 2020;

AND FURTHER THAT Staff is directed to place "Budget Discussion" on the meeting of December 10th so an update on the major inputs can be discussed.

INFORMATION

Presently, there remains a degree of uncertainty related to Canada and Ontario's response to the COVID-19 pandemic and what effect this may have on our budget for 2021 and beyond. We are also nearing the end of incorporating the results of the waste management master plan, the service delivery review and the strategic plan. Many parts of these overlap and as we work on implementation plans there will be more clarity provided to future budgets.

There are also some external forces that are expected to affect our budget process. The initial projection from DNSSAB is a 5% increase while Au Chateau could be as high as an 80% increase one year to the next. Assuming these early projections hold, our tax levy could be 7.6% higher before any municipal cost is considered. Information is expected to be a little more stable as we move from 2020 to 2021. While these are beyond our control and it could be said that we should focus on our needs and flow their requests through the budget, we also need to be mindful of the overall effect these have on our ratepayers.

The Assessment Basis for 2021 is the same as it was for 2020. There may be some difference based on additions and deletions during 2020.

In a typical year, the first step in the budget process is to review the rate of inflation as noted with the Consumer Price Index (CPI). In this time of COVID, the CPI is subject to fluctuations based on how open the economy is at any point in time. This makes projecting a reasonable guideline for municipal taxes more difficult.

Present Proposal

1. Tax Ratios remain constant using the revenue neutral method
2. In December/January, a work plan for implementation of the various studies will be presented. This will highlight which year different parts of the various plans will be scheduled for implementation and the estimated budget required for this implementation.
3. In January an update on the DNSSAB and Au Chateau budget projections will be given to Council.
4. Local Boards, Committees, and Department Heads will be asked to submit their operating and capital budgets by January 15th.

5. Departments will be requested to ensure 2020 items are submitted as close to the end of the year as possible. This will permit an early estimate of the year end balances.

This proposal will allow budget direction to be discussed in December and January as information is expected to continue to change. At the meeting in February, an initial budget can be presented that includes Staff assertions and assumptions.

Respectfully Submitted:
Craig Davidson
Treasurer/Administrator