

To: Warden and Members of County Council

From: Director of Corporate Services

2022 Business Plans and Budget

RECOMMENDATION

1. That the 2022 preliminary budget information package be received for discussion purposes.

REPORT HIGHLIGHTS

- 2022 County general levy \$66.5 million – 4.3% increase over 2021
- 2022 Library levy \$4.1 million – 1.7% increase over 2021
- 2022 Court Security Grant levy – \$51,541 – 45.8% decrease from 2021
- \$64.1 million financed capital plan – 3.1% decrease over 2021
- 13 new initiatives to advance the Strategic Plan
- \$40.8 million contributions to capital reserves for Asset Management purposes
 - \$16.2 million related to General Levy – increase of \$0.6 million
 - \$0.1 million related to Library Levy – increase of \$33,000 which is offset by retirement of debt obligation payments in 2022
 - \$6.0 million related to wastewater reserves – reduction of \$1.4 million from 2021
 - \$6.2 million related to water reserves – reduction of \$0.4 million from 2021
 - \$1.1 million in interest revenue allocation
 - \$0.6 million in development charge exemptions funded from levy and rates
 - \$3.5 million in capital grants
 - \$7.1 million in development charge revenues collected

Implementation Points

The proposed schedule for presentations of draft 2022 business plans and budgets is set out in Table 1.

Table 1 – 2022 Budget Meeting Schedule

Budget Meeting	Date	Time	
Special Council Meeting #1	Wednesday, November 17, 2021	9:00am - 12:00pm	
Special Council Meeting #2	Wednesday, November 24, 2021	2:00pm - 6:00pm	
Regular Council Meeting	Wednesday, December 8, 2021	9:30am -	*

* Special budget meeting falls on a regular Council meeting date.

Further discussion will take place in regards to scheduling any supplementary budget meetings that may be required with a goal to adopt the 2022 budget on **Wednesday, December 8, 2021** at the regular scheduled Council meeting.

The Senior Management Team will present the business plans and budgets as outlined in Table 2.

Table 2 – 2022 Budget Meeting Objectives

Wednesday, November 17, 2021 – Special Meeting
Process overview/Budget Summary
Capital budget
Departmental budgets
Wednesday, November 24, 2021 – Special Meeting
Departmental budgets continued
Council discussion and deliberations
Wednesday, December 8, 2021 – Regular Council Meeting
Final deliberations and consideration of amending motions

Budget deliberations are planned to take place during an open session of Council to allow Council the opportunity to present resolutions to advance the budget approval process. These resolutions may include, but not necessarily limited to the following, or may be variations of the following:

That Oxford County 2022 Business Plans be adopted as amended;

And further, that Oxford County Council approves the 2022 Budget with a general purpose levy of \$_____;

And further, that Oxford County Council approves a 2022 special levy for Library purposes in the amount of \$_____;

And further, that Oxford County Council approves a 2022 special levy for Court Security and Prisoner Transportation Grant purposes in the amount of \$_____;

And further, that the following grants requests, totalling \$_____, be included in the 2022 general purpose levy:

And further, that following grant requests, totalling \$_____, be funded under the Oxford County Youth Initiatives grant of \$_____:

And further, that a by-law to adopt the estimated expenditures for the year 2022 as set out in Report No. CS _____ be presented to Council for enactment at their regular meeting scheduled for January 12, 2022;

And further, that staff be authorized to proceed with implementing the incremental full-time equivalent positions as presented in the Full-time Equivalent Plan as part of the 2022 Preliminary Budget Information and further explained in Report No. CS (CS) 2021-47.

Financial Impact

The financial impacts as presented in this report are reflected in more detail in the 2022 Preliminary Budget Information package attached as Attachment 1.







Communications

The 2022 budget public engagement campaign was initiated in June 2021 with release of the 2022 Budget Survey on [Speak Up, Oxford!](#) A total of 596 people responded to the survey between June 9 and August 31, 2021, with results shared in Council report [CS 2021-35 – 2022 Budget Public Consultation Update](#) and an accompanying [infographic](#). Since the close of the survey, the *Speak Up!* site and the [budget section of the County website](#) have advised of the budget meeting process and dates.

The release of the Draft 2022 Business Plan and Budget, and information about how residents can stay informed throughout the budget process, will be promoted through media channels, social media and the County website. Residents will be invited to watch special budget meetings online live as they are taking place. After each special budget meeting, presentations and video recordings will be posted on the site and promoted through social media. Residents will also have the option to ask a question through *Speak Up, Oxford!* over the course of the budget deliberation process.

Notification will also be shared with Area Municipal CAOs and Treasurers and Chambers of Commerce informing them of release draft of the Draft 2022 Business Plan and Budget.

Strategic Plan (2015-2018)

					
<i>WORKS WELL TOGETHER</i>	<i>WELL CONNECTED</i>	<i>SHAPES THE FUTURE</i>	<i>INFORMS & ENGAGES</i>	<i>PERFORMS & DELIVERS</i>	<i>POSITIVE IMPACT</i>
		3.iii.			

DISCUSSION

Background

The 2022 Draft Budget proposes a levy requirement of \$66,489,903 for general purposes; a levy requirement of \$4,061,003 for library - benefitting seven of the eight Area Municipalities (excluding Woodstock); and, a special levy of \$51,541 for court security and prisoner transportation for seven of the eight Area Municipalities (excluding Woodstock) to fund a grant for the City of Woodstock. The 2022 proposed levies represent increases of 4.3% for general purposes, 1.7% for libraries, and a decrease of 45.8% for court security and prisoner transportation.

Comments

Overview

The 2022 draft budget process begins with the preparation of business plans by each department. Finance staff then provides assistance to each department in developing the base budget reflecting non-discretionary adjustments to service levels approved by Council in the prior year. Staff then consider the goals and objectives proposed within their respective business plans and determine the following impacts: one-time items; service level impacts; operating impacts of capital and, new initiatives that will affect the base budget in addition to the non-discretionary impacts, including changes in provincial funding.

Senior Management Team (SMT) then peer reviews the draft business plan and budget submissions of all departments, including proposed service level changes, FTE changes, new initiatives and impact on taxation. Due to the financial impacts of the pandemic on the 2020 and 2021 budgets, additional scrutiny has been applied in the 2021 and 2022 budget review processes to ensure that operational savings resulting from restrictions on travel, training, and reductions in consumables are appropriately reflected in 2022. On that basis, the 2022 base budget closely aligns with the year over year consumer price index increase of 4.4%.

Table 3 identifies the funding sources for the budget impacts that are included in the draft budget and how they impact the base budget. The illustration indicates that the base budget levy requirement represents a 2.3% increase over the prior year's levy. Refer to pages 65 to 70 of the 2022 Draft Budget information package for more details on the table below.

Table 3 – 2022 Budget Impact Funding Sources

Draft Budget Impacts	Total	Reserves	Other	Rates	Taxation	%
One-time Items	\$1,049,102	1,254,096	\$-	\$16,800	(\$221,794)	(0.3%)
Service Level*	1,672,486	-	407,143	206,100	1,059,243	1.6%
New Initiatives	2,276,323	323,250	1,170,881	610,750	171,442	0.2%
COVID-19	1,385,906	-	1,396,566	-	(10,660)	0.0%
Operating Impacts of Capital	4,900	-	-	-	4,900	0.0%
Modernization Funding	760,270	57,995	551,730	-	150,545	0.2%
In-year Approval/ Carryover	4,355,190	4,163,000	98,070	-	94,120	0.1%
Total	11,504,177	5,798,341	3,624,390	833,650	1,247,796	1.8%
Draft levy increase over prior year					2,788,978	4.1%
Base Budget increase					\$1,541,182	2.3%

* Includes increase in asset management plan capital transfers of \$565,000, which is comprised of:

- **\$60,000** for Social Housing Facilities
- **\$55,000** for Paramedic Services Fleet & Equipment
- **\$50,000** for Bridges
- **\$400,000** for Roads

New initiatives proposed in the 2022 draft budget are described in Table 4.

Table 4 – 2022 New Initiatives

#	New Initiative	Investment	Page
1	Automated Building Utility Data Collection and Verification	\$22,700	98
2	Emergency Road Closed Trailers	\$23,985	125
3	Utilization of Used County Fleet (Tandem) at the OCWMF	\$23,985	138
4	Heating of Front Equipment Shed at OWMF	\$7,000	140
5	Preventative Maintenance of OCWMF Leachate Collection System	\$18,000	142
6	Additional Scale and New Scale House at the OCWMF	\$272,250	144
7	Storage Building Tillsonburg WWTP	\$925,880	179

#	New Initiative	Investment	Page
8	Mobile EarlyON Programs	\$72,293	195
9	Woodingford Accreditation	\$30,000	215
10	Diversity, Equity, and Inclusion Coordinator	\$114,578	270
11	Feminine Hygiene Product Access Improvement	\$8,000	277
12	Community Paramedicine	\$973,258	306
13	Community Planning Software	\$100,000	326

Capital Plans

The 2022 proposed capital plan expenditures amount to \$64.1 million compared to \$66.3 million in 2021. Of the \$64.1 million in capital projects \$4.6 million are carryover projects from 2021, with \$69.3 million representing new 2022 budget requests. Some projects highlights include:

- 410 Buller Street Masonry - *Renewal* - **\$665,000**
- Housing Building - *Renewal* - **\$1,390,374**
- Woodingford Lodge – Buildings – *Renewal* - **\$1,717,000**
- Bridge and Culvert Rehabilitation / Replacement - *Renewal* - **\$3,788,000**
- Waste Management compost pad and weigh scale – *Expansion* - **\$825,000**
- SCADA Master Plan - *Replacement and expansion* - **\$724,000**
- Tillsonburg Wastewater, WWTP Upgrade – *Expansion* - **\$4,055,000**
- Drumbo Wastewater, WWTP Expansion – *Expansion* - **\$4,692,710**
- Woodstock Water, CR4 & Lansdowne WM – *Expansion* - **\$3,500,000**
- Woodstock Water, CR 17 WM – *Expansion* - **\$4,000,000**

The 2021 Capital Plan, which includes multi-year and developer controlled projects, is expected to be 86.1% (60.9% in 2020) complete by year end. The Plan projects the unfinanced capital balance by project which represents the project expenses incurred, but not yet financed. In addition, the previous years' approved budget that has not yet been spent is added, as well as the requested budget for new and ongoing projects to arrive at the accumulated amount representing the 2022 Financed Capital Budget. The funding sources proposed for each capital project are also illustrated in the 2022 Capital Plan. See page 31 of the 2022 Draft Budget information package for more details.

The Long Term Capital Plan illustrates the planned projects for ten consecutive years beginning in 2022. The report also presents a year over year summary of the sources of funding for each of the respective capital budgets. Further details regarding the long term capital plan start on page 40 of the 2022 Draft Budget information package.

Interdepartmental Allocations

Interdepartmental allocations include Finance, Customer Service, Human Resources, Information Technology, Facilities and Fleet. The year over year increase in the overall interdepartmental charges is 5.7%, of which Finance and Human Resources has the most significant increases of \$284,463 and \$225,215 or 19.2% and 19.8% respectively, largely due to the additional FTEs for Purchasing Advisor, Capital Analyst and Human Resource Officer. The cumulative net increase of the remaining interdepartmental budgets amount to \$422,238 for an overall interdepartmental budget increase of \$931,916. More information regarding the interdepartmental charges can be found on page 73 of the 2022 Draft Budget information package.

Full-time Equivalent Analysis

The County’s full-time equivalent (FTE) staffing complement is proposed to increase by 26.3 FTEs in 2022, 17.8 of which are fully funded by grants, for a total of 606.1 FTEs. The overall increase in FTEs is largely driven by 9.8 FTE to address essential COVID related services and are considered temporary requirements. In addition, 7.0 FTE are required to deliver the Paramedic Service Paramedicine program which is 100% funded by the Province. Further details are explained in Table 5.

Table 5 – 2022 Proposed Full-time Equivalent Plan Changes

	FTE	Service Level	Grant Funded	
2021 Approved FTE Plan	588.2			
2021 Temporary FTE	(8.4)			
2021 Base FTE Plan	579.8			
CAO Office - Diversity and Safety Community Wellbeing Coordinator	1.0	1.0	-	
Strategic Communications - Communication Officer	1.0	1.0	-	
Human Resources - HR Officer	1.0	1.0	-	
Finance – Capital Analyst and Purchasing Advisor	2.0	2.0	-	
Human Services - EarlyON program (+1.0); Human Services (-3.0)	(2.0)	(3.0)	1.0	
Woodingford Lodge - Screening Positions, Maintenance and Housekeeping	4.9	-	4.9	*
Waste Management - Scalehouse operator hour adjustment to reflect actual scheduling	(0.4)	(0.4)	0.0	
Roads - Transportation Technologist	1.0	1.0	0.0	
Engineering - Development Technologist	1.0	1.0	-	
Fleet and Facilities – Maintenance Scheduler	1.0	1.0	-	
Library – Service level changes & temporary summer students	1.9	1.9	0.0	(0.7) *

	FTE	Service Level	Grant Funded	
Paramedic Services – Logistics co-ordinators, Mobile Community COVID Assessment Centre, Community Paramedine program	13.9	2.0	11.9	* (4.9)
2021 Draft budget increase	26.3	8.5	17.8	
Draft 2022 FTE Plan	606.1			

* 10.4 Temporary Funded FTEs

Information regarding the 2021 FTE Plan can be found on page 71 of the attached 2022 Draft Budget information package.

Five Year Projections

Five year forecasts have been prepared by each department taking into account any planned projects, foreseen changes to services as well as cost of living increases. These reports are incorporated into each department’s detailed budget summary of the 2022 Draft Budget information package.

Reserve Continuity Report

The reserve continuity schedule includes the Reserve Policy target balances and a column illustrating the surplus or shortfall within each reserve’s projected balance as of December 31, 2022, to provide a better indication of availability of future funding sources – details available on page 74.

In the Budget Highlights section of the Draft Budget information package is a graphic illustration of the capital contributions to reserves that are included in the 2022 budget - totalling \$40.8 million. There have been a couple of changes to the capital reserve allocations in 2022, one of which includes funding development charge exemptions as required under the Development Charges Act in the amount of \$595,000. This is funded by the levy (\$276,500 General Levy and \$3,000 Library Levy) and rates budgets (\$316,000) as the contributions to reserve are included in each of the respective development charge eligible services’ budgets that would have otherwise received those funds if the County policy did not provide for the exemption. The impact on the County general levy is a 0.4% increase and the Library levy increase is 0.1%. An additional change in the draft 2022 capital reserve allocations is the absence of a funding allocation from the Ontario Community Infrastructure Fund Formula-Based program which was \$2.2 million in 2021, as eligibility for this funding in 2022 is unknown, however there is no resulting impact on the 2022 draft County levy.

More details regarding reserves can be found on page 15 of the 2022 Draft Budget information package.

Debt Repayment

Future years’ debt requirement projections are incorporated with current debt obligations in the debt repayment schedule covering years 2022 to 2031, which is largely driven by the long term capital plan. Details available on page 79 indicate the County’s projected debt peaks in 2025 at

\$45.3 million and gradually declines to \$32.6 million in 2031. These projections are predicated on ongoing investment in accordance with our Asset Management Plan to most effectively fund our infrastructure needs.

Assessment

2020 budget year was legislated to be the final year of a four-year assessment cycle which should have triggered new assessment values to apply in 2021. However, with the onset of the COVID-19 pandemic, the Province deferred implementation of revised assessments for both the 2021 and subsequently the 2022 years. It is anticipated that the revised assessment values will be employed in 2023 or later. Assuming that occurs, properties assessed with increased market values will be taxed based on their prior year's assessment plus one quarter of the amount of the increased market value. As the assessment value of properties change, it creates a shift in the proportionate share of taxes paid among property classes, and among area municipalities. Further analysis regarding tax shifts caused by assessment growth will be presented once the final 2021 assessment growth figures are released by MPAC.

Library Board

The Oxford County Library Board's recommendation is further explained under Report No. CS 2021-48.

Conservation Authorities

At the time of publishing this report, the Conservation Authorities' 2022 draft budgets have not been received. For those Conservation Authorities who have not yet submitted draft budget figures, levies have been based on their historical average. The resulting estimated total levy for Conservation Authorities is \$1.7 million – an overall 1.6% increase from 2021. Regulations are pending with respect to recent changes to the Conservation Authorities Act which will impact the range of services that Conservation Authorities participate in which could impact their business model and budgets going forward.

The Conservation Authorities' 2022 draft budgets will be included on Council agendas as they are received. The Board meetings to consider the budgets are typically held in January and February of the budget year.

Grants

Community grants have not been included in the 2022 Draft Budget presented by staff. The grant requests received to date will be brought forward to Council for consideration during the 2022 budget deliberation process.

Local community agencies seeking grants in 2022 have all delegated before Council seeking the same request as the prior year with the exception of Tillsonburg Airport who requested an increase in last year's \$50,000 grant to \$100,000, with a 5 year commitment. Additionally, a new request has been received from St. Mary's Hospital in the amount of \$45,000. If all grants were to be approved as requested the impact on the levy would be an additional \$439,500 or 0.7% increase.

Further to the new 2022 grant request from the St. Marys Healthcare Foundation to assist in funding a renovation project at St. Marys Memorial Hospital, Council asked that the County's Community Healthcare Capital Funding Policy No. 6.9 be circulated for determining eligibility of the grant request. The policy provides that grants cannot exceed the balance of the "Community Healthcare Facility Capital Reserve". There is currently not a Community Healthcare Facility Capital Reserve established within the provisions of the County's Reserve Policy. A copy of the Community Healthcare Capital Funding Policy is attached to this report as Attachment 3.

PSAB Budget

In accordance with Ontario Regulation 284/09 the 2022 Draft Budget is presented with a schedule in the PSAB format – see page 56 of the 2022 Draft Budget information package.

Budget Survey

An online survey was launched June 9, 2021 through a *Speak Up, Oxford!* engagement campaign for the 2022 Business Plan and Budget process. When the survey closed 596 responses were received. 75% rated the value received for tax dollars as fair or good. Specific areas where respondents requested enhanced service levels were related to Long-term Care, Waste Management, and Housing.

The detailed survey results, including all responses, were presented to Council on September 22, 2021 through Report No. CS 2021-35. A summary of the survey highlights is also provided on page 7 of the 2022 Draft Budget information package.

Budgetary Impacts of COVID-19

On March 17, 2020, Ontario's Premier declared a provincial emergency through the authority granted under the *Emergency Management and Civil Protection Act* (EMCPA). Due to measures that had to be taken to mitigate the impact of this pandemic on our health and financial well-being, all levels of government, nationally and internationally stepped up to provide assistance. In consideration of all financial relief initiatives, protection of the overall supply chain is paramount in order to mitigate economic loss and secure successful recovery.

Due to the fluidity of measures being taken to mitigate the economic, societal and service related impacts, staff have been reporting to Council on a regular basis to keep them informed and ensure the County is appropriately meeting the local community's needs. As many of our services are partially funded by senior levels of government, the County has received some financial support for additional costs incurred to respond to public health directives and local needs. The most recent report to Council titled "Business Plan and Budget Review – Q2 2021" details the financial impacts as of June 30, 2021 – [Report No. CS 2021-27](#).

The 2021 year end projections, forecast the closing balance of Safe Restart Agreement Fund at \$4.0 million. It is anticipated that these funds will be used to finance both anticipated and unanticipated COVID related 2021 and 2022 costs, and mitigating future budget increases that may, or may not, reflect resumption of services to past levels, or to assist in funding new methods of service delivery. The 2022 Budget includes COVID-19 related costs of \$1.4 million, \$0.7 million being funded through the Safe Restart Agreement remaining funds and \$0.7 million funded through other provincial funding.

Public Health

At the time of publishing this report, the Southwestern Public Health (SWPH) 2022 draft budget has not been received. The resulting estimated total levy for Southwestern Public Health is \$2.3 million – an overall 0.0% increase from 2021.

The SWPH 2022 draft budget will be included on a Council agenda when it is received. The Board meetings to consider the budgets are typically held in November and December. Oxford proportionately shares the SWPH levy requirement with the City of St. Thomas and County of Elgin, with Oxford portion being approximately 55%.

Rates Funded Budgets

Water and wastewater rates are funded most predominantly by user fees/rates, with the exception of capital funding received from senior levels of government and development charges. The total water and wastewater proposed budgets for 2022 totals \$74.1 million, representing a \$0.7 million increase over 2021 approved budget. There is no impact on the County levy to fund these budgets. Refer to page 150 of the 2022 Business Plan and Budget Plan.

Conclusions

Included in the 2022 Draft Budget information package is an overview including a summary and outlook which provides a narrative synopsis of the draft budget that is before Council for consideration.

The County's Asset Management Plan continues to provide valuable insight in preparing the five- and ten-year capital forecasts, allowing more accurate planning for the associated reserve and debt financing requirements.

The 2022 Draft Budget information, including supplementary information provided to Council in electronic format, will be available for public access on the County's website at <https://speakup.oxfordcounty.ca/2022budget>.

SIGNATURES

Report Author:

Original signed by

Carolyn King, CPA, CA
Manager of Finance

Departmental Approval:

Original signed by

Lynn S. Buchner, CPA, CGA
Director of Corporate Services

Approved for submission:

Original signed by

Michael Duben, B.A., LL.B.
Chief Administrative Officer

ATTACHMENTS

- Attachment 1 – [2022 Draft Business Plan and Budget Highlights](#)
- Attachment 2 – 2022 Draft Business Plan and Budget Highlights Presentation
- Attachment 3 – Community Healthcare Capital Funding Policy No. 6.9