



2021 Budget & Long-term Plan Summary

December 16th, 2020



Summary

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- 2021 Draft Budget as presented Council deliberation meetings (after growth):
 - Base Levy 1.80%
 - Dedicated Infrastructure Investment 0.64%
 - 2.44% total levy increase
- 2021 Draft Budget accounting for Council Budget deliberation adjustments (after growth):
 - Base Levy 0.94%
 - Dedicated Infrastructure Investment 0.64%
 - 1.58% total levy increase
- Growth estimated at 1.1%
- Uncontrollable / committed items impact 2.9%

Summary – Budget Adjustments



Council Requested Budget Adjustments		
	\$	%
Levy increase After Growth As Presented (existing tax base)	60,169,459	2.44%
Increase Bag Tags Pricing	425,000	0.72%
Deferral HR Business Partner, Organizational Development Position	42,875	0.07%
Advertising Reduction Newspaper Circulation	40,000	0.07%
Adjusted Levy Increase After Growth (existing tax base)	59,661,584	1.58%
Dedicated Infrastructure Investment *	373,512	0.64%
Adjusted Base Levy Increase	59,288,072	0.94%
NOTES		
* Dedicated Infrastructure Levy and Transportation Annual Construction Program		
1% of the 2020 levy represents \$587,363		

Council Request - Bag Tag Increase



- Estimated Bag Tag 2021 Revenues increase \$425K
 - Based on Council request of \$0.50 increase per bag tag
 - Propose effective date of March 1st
 - Review of latest trend for sales volume indicates ability to increase previous sales predictions
 - 2020 sales volume to November has been trending ~92% of 2019 (pre-green bin) - excludes April & May 2020 as months when bag tag was waived for one bag of garbage
 - For conservatism assuming 90% sales volume for 2021 Budget estimates



Tax Rate Impacts

Estimated Residential Tax Rate



2020

$$.004711408 \times \$267,000^* = \mathbf{\$1,257.95}$$

2021

$$.004778703 \times \$267,000^* = \mathbf{\$1,275.91}$$

Increase for the average home will be \$17.97 (was \$28.71 pre-Council Adjustments)

- Average home value represents MPAC Current Value Assessment (CVA) data
 - CVA is used for annual property tax billing calculations (not market values)
 - CVA represents valuation dates of January 1, 2016
 - MPAC assessment update has been postponed (typically all properties updated on 4-year cycle)

* Median home value in Northumberland County per OPTA (Ontario Property Tax Analysis System) based on single family detached home not on water. The analysis above is based on preliminary assessment roll and 2020 existing tax policy which are subject to change.

Next Steps



Seeking approval for the 2021 budget



Begin implementing immediately upon approval. Tax rates/ratios to be approved March/April



Questions?

