



# City of Owen Sound 2024 Draft Budget – Public Meeting

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JANUARY 29, 2024

# Purpose

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- The purpose of tonight's public meeting is to hear input from the public on the 2024 operating budget.
- A short presentation highlights where the budget stands as of this date.
- The full budget details are available on the City's website and were linked to the notice for this public meeting.

# Municipal Levy Increase

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Draft levy increase is currently \$914,784 or 2.81%

The levy is currently sitting at \$34,052,815.

Combined with County (6.3%) and Education (0%), the total rate increase is currently estimated to be 3.24%.

With this increase, the average household assessed at \$232,000 will pay an additional \$87 annually to the City and \$51.50 annually to the county with a total tax bill increase of \$138.50 or \$11.50 a month.

# Changes Since December

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- Updated budget to reflect Council direction on the 1<sup>st</sup>:
  - Removed funding to Chapman House
  - Allocated 100% of Grey Sauble Conservation Levy to water rates
- Updated Bag Tag revenue to reflect no increase in bag tag prices. Net impact is \$100,000.
- Staff recommends funding the balance owing to the Art Gallery deficit from the 2023 operating surplus, allowing the annual payment of \$50,000 to be removed from the 2024 operating budget and all future years.
- Staff have adjusted the parks staff complement and public works seasonal staff complement. OP-23-038 approved adding a new full-time parks position, reducing seasonal and student time and increasing Public Works seasonal staff by two. With the winter control season underway, the actual staff complement is additional seasonal park's time, and only one public works new seasonal position. The full-time parks position and the remaining seasonal public works position have been removed. The net savings of this adjustment is \$20,000 from what was presented in December.
- Updated growth estimate with 2024 roll return.
- Police increased gapping savings by \$60,000.
- Court security grant confirmed at \$390,000, previously estimated at \$330,000.

# Comparator Increases – 2.81%

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## GREY COUNTY (AND BRUCE)

<b>Grey County approved</b>	<b>6.3%</b>
<b>Bruce County approved</b>	<b>6.16%</b>
<b>South Bruce Peninsula approved</b>	<b>4.99%</b>
Grey Highlands draft	12.6%
<b>Town of Blue Mountains approved</b>	<b>2.5%</b>
<b>Saugeen Shores approved</b>	<b>4.99%</b>
Meaford	5.75%
Georgian Bluffs	4.82%
<b>West Grey approved</b>	<b>9.7%</b>
Hanover – tba January 29th	

## OTHER ONTARIO MUNICIPALITIES

Cobourg	8.06%
<b>Huntsville approved</b>	<b>10.68%</b>
Strathroy	6.67%
<b>Kingsville approved</b>	<b>4.0%</b>
<b>Collingwood approved</b>	<b>1.67%</b>
<b>Amherstburg approved</b>	<b>6.44%</b>
Tillsonburg	6.70%
<b>Orangeville approved</b>	<b>4.5%</b>
<b>Peterborough approved</b>	<b>7.0%</b>

# Relative Taxes

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Between 2022 and 2023, Owen Sound was able to reduce the gap between the average relative taxes for a home in Grey Bruce and Owen Sound's taxes by 7%.

Based on current draft budget and proposed budgets across the region, that gap is expected to be reduced by a further 5% in 2024.

With this continuing trend, Owen Sound's taxes will be on par with the regional average in 15 years.

# Continuing Trends

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## Tax Levy per Capita

- Moved to mid-range provincially in 2023
- Tax Levy per capita increased by 1.4% in 2023 compared to local average of 7%

## Relative Taxes

- Detached Bungalow – reduced gap between actual and average by 7%
- Multi Residential – reduced per unit taxes from \$1,858 to \$1,704 between 2022 and 2023
- Commercial – Taxes per square foot dropped below provincial average in 2023
- Industrial – Taxes per square foot remain low for the region and well below provincial average

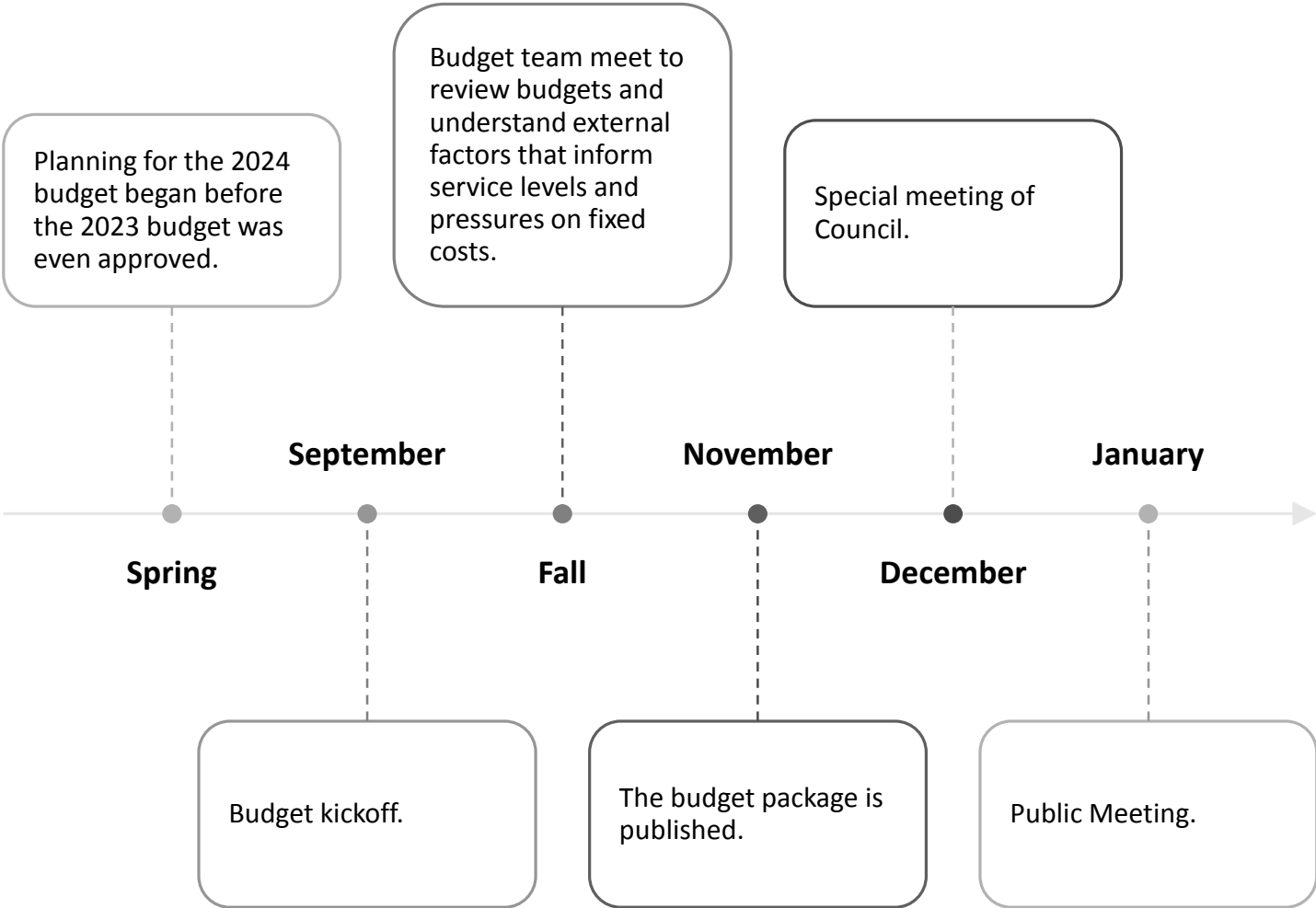
## Financial Position (Net Debt per capita)

- Net debt per capita improved in 2023 and will continue to improve in 2024

## Reserves

- Reserves as % of own source revenue increased in 2023 and remains moderately above provincial average

# Budget Timeline





# Frequently Asked Questions

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# How are budgets prepared?

**The City practices zero-based budgeting principles in developing the annual operating budget.**

What does this mean?

- Staff do not begin with applying an inflation index across the budget.
- Wages account for 64% of our gross expenses.
- Facility operating costs account for 10% of the budget.
- Contracts account for 11% of the total budget.
- Winter control materials and fuel are 2.5% of the budget.
- Ultimately, committed costs reflect 97.5% of the City's budget.
  
- The remaining discretionary costs are approximately \$1.2M.

## Why does the cost of providing services outpace the average household income?

- The two are not correlated. Municipal property tax, unlike income tax is a regressive tax system that is not tied to income levels.
- A municipality is buying a different basket of goods than the average household. The municipal basket is weighted heavily in construction, energy costs, and labour.
- The reason that the increase in taxation does not equal the overall change in average household income reflects that the cost of providing services is growing faster than income levels and growth is not making up the difference.
- Factors that will reduce the burden on taxpayers include:
  - Amending service levels
  - Generating other sources of revenue (ideally from non-residents)
  - Growth in the tax base
  - Indirectly improve income potential

## Comparing 2024 Draft Budget Documents

	Huntsville 2024	Cobourg 2024	Amherstburg 2024	Owen Sound 2024	Collingwood 2024
Fire Services	1,207,878	4,758,466	3,184,423	5,830,315	5,841,696
Waste Management	-	-	1,649,500	992,101	-
Public Transit	171,445	1,117,830	195,000	1,271,341	1,393,232
Operating Balance	13,418,132	16,851,252	17,751,438	13,229,329	23,272,657
Local Share	230,000				
LTD payments	834,673	367,000	1,003,568	1,820,289	2,961,921
Capital Levy	7,040,070	414,276	1,422,436	3,129,989	988,650
<b>Direct Control net Cost</b>	<b>22,902,198</b>	<b>23,508,824</b>	<b>25,206,365</b>	<b>26,273,364</b>	<b>34,458,156</b>
Police Board Levy or OPP	-	7,429,948	6,301,854	8,718,608	5,129,470
<b>Total for Muncipal Levy</b>	<b>22,902,198</b>	<b>30,938,772</b>	<b>31,508,219</b>	<b>34,991,972</b>	<b>39,587,626</b>

Why are Owen Sound's taxes higher than those of similar-sized municipalities?

# When will Owen Sound's taxes be equal to Georgian Bluffs?

	2023 Budget Georgian Bluffs	2023 Budget Owen Sound	Variance
General Operating	7,495,075	12,688,464.00	5,193,389.00
Fire Services	855,000	5,401,354.00	4,546,354.00
Public Transit	-	1,152,311.00	1,152,311.00
Police Services	1,675,000	8,926,168.00	7,251,168.00
			-
LTD payments	210,500	1,942,546.00	1,732,046.00
Capital Levy	1,655,425	2,950,121.00	1,294,696.00
<b>Total for Muncipal Levy</b>	<b>11,891,000</b>	<b>33,060,964.00</b>	<b>21,169,964.00</b>

# Where can I find the data for the City's total workforce?

**There are a few places where this information is available transparently for the public.**

1. In the City's budget documents. Each divisional tab includes the total staff in the left margin.
2. In the City's organizational charts available on the City's website.

**With regards to total costs of wages and wage-related overheads, the data is readily available**

1. In the City's budget documents.
2. In the annual FIR posted to the website and also available through the Provincial reporting portal along with all other Ontario Municipalities.
3. Ontario public sector salary disclosure available online discloses any positions that were paid more than \$100,000 in the most recent year ending December 31<sup>st</sup>.

# Why does Owen Sound pay more in wages?

From 2022 FIR database:

<b>2022</b>	2022 Total	Police Services	Fire Services	Library Services	Public Transit	Water and Wastewater	Adjusted Total	Remaining Variance with Owen Sound
Strathroy	15,509,346	6,491,996	1,205,339	44,479	-	1,071,984	6,695,548.00	- 3,928,410.00
Kingsville	9,937,734	6,283	1,315,231	-	-	1,176,194	7,440,026.00	- 3,183,932.00
Thorold	14,090,103	-	3,652,973	558,201	3,305	972,607	8,903,017.00	- 1,720,941.00
Tilsonburg	11,142,651	24,905	1,390,481	-	84,357	-	9,642,908.00	- 981,050.00
Amhurstburg	13,612,124	123,863	1,926,257	-	-	1,226,289	10,335,715.00	- 288,243.00
<b>Owen Sound</b>	<b>30,277,192</b>	<b>10,154,581</b>	<b>4,583,320</b>	<b>976,677</b>	<b>247,495</b>	<b>3,691,161</b>	10,623,958.00	-
Huntsville	12,666,187	-	1,005,820	720,919	5,005	-	10,934,443.00	310,485.00
Cobourg	26,887,645	6,415,736	3,209,157	1,034,937	46,055	1,714,670	14,467,090.00	3,843,132.00
Collingwood	24,643,389	-	4,515,274	1,139,708	15,843	3,525,635	15,446,929.00	4,822,971.00

# Why does Owen Sound pay more in wages?

## From 2024 Draft Budget documents

	Huntsville	Cobourg	Amherstburg	Owen Sound	Collingwood
General Operating Wages	15,094,191	14,631,742	13,171,014	12,621,719	18,623,275
Fire	1,129,496	4,288,347	2,052,833	4,986,584	5,053,805
Library	839,318	-	-	-	1,502,157
Water Billing		-	-	83,396	-
Parking		247,222			
Crossing guards		132,607			
<b>Total Budgeted wages</b>	<b>17,063,005</b>	<b>19,299,918</b>	<b>15,223,847</b>	<b>17,691,699</b>	<b>25,179,237</b>
Not including water or waste water or police					



**2022 FIR Schedule 40 comparisons**

FIR schedule 40 captures total costs before revenues

Comparisons	Tillsonburg		Strathroy		Coburg		Huntsville		Thorold		Kingsville		Collingwood		Amhurstburg		Owen Sound	
Governance	wages	212,449.00	wages	255,085.00	wages	290,941.00	wages	674,512.00	wages	782,138.00	wages	216,072.00	wages	311,222.00	wages	255,939.00	wages	783,958.00
Corporate Management	wages	2,355,270.00	wages	1,869,362.00	wages	308,000.00	wages	213,585.00	wages	403,090.00	wages	961,574.00	wages	4,350,910.00	wages	3,441,432.00	wages	1,046,892.00
Program Support	wages	302,232.00	wages	-	wages	2,003,553.00	wages	2,025,410.00	wages	1,303,591.00	wages	1,766,468.00	wages	801,836.00	wages		wages	591,971.00
		2,869,951.00		2,124,447.00		2,602,494.00		2,913,507.00		2,488,819.00		2,944,114.00		5,463,968.00		3,697,371.00		2,422,821.00

Does Owen Sound pay more in administration costs and for managers?

# Why does the City employ more managers?

Total Number of Directors (estimated based on organizational charts)

Owen Sound: City Manager plus 3 Directors

Cobourg: City Manager plus 5 Directors

Tillsonburg: City Manager plus 4 Directors

Amherstburg: City Manager plus 4 Directors

Huntsville: City Manager plus 5 Directors

Strathroy: City Manager plus 6 Directors

Collingwood: City Manager plus 6 Directors

# City of Owen Sound Organizational Chart

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The proposed budget includes the following staff (excluding police and library)

CAO's Office	4 FTE, 1 PTE
Corporate Services	29 FTE, 1 PTE*, 3 Students
Community Services	36 FTE, 14 PTE*, 16 Seasonal and 10 Students
Public Works and Eng	31 FTE, 1 PTE, 9 Seasonal and several casual (HHW)
Fire	31 FTE
Water and Wastewater**	20 FTE, 1 GIS Student
Total	151 FTE, 18 PTE, 25 Seasonal and 14 summer students

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# Why does the City have 79 staff on the “sunshine list”?

For the fiscal year 2022, there were 79 staff on the sunshine list.

- 24 Fire
- 35 Police
- 3 Water and Wastewater
- 2 Library
- 15 staff relate to comparable service offerings with comparators of our size.

# In Summary

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It is a fact that the City's municipal levy is higher than most comparator cities of our size. While there are small variances in each area of service, the common reason for the higher taxes is due to the cost of police and fire and to a lesser degree, public transit. In some cases, the level of capital reinvestment contributes to the variance. In many cases, the total municipal levies are also impacted when a service is provided by the region or county (as is the case most commonly with waste management).

Over the past term of council and more so in the current term, the City has achieved tax increases below that of our neighbours and below the average of our regional comparators.

Staying on the path that we are on will ultimately achieve a goal of relative taxes in Owen Sound that is on par with the average relative taxes for similarly sized municipalities within the province. While at the same time, continuing to be competitive with commercial, industrial and multi-residential tax rates.

# Next Steps

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- Final Budget report planned for February Council meeting
- Budget By-law to follow
- Tax policy and ratio changes presented in April or May (depending on County schedule)
- Tax Rate By-law by the end of May
- Tax bills issued in June
  
- Operating budgets to be presented to committees ahead of Council review of 2025 Operating Budget

# Source data

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[Ontario FIR database 2022 - by municipality](#)

[Public sector salary disclosure database – 2022](#)

[Huntsville 2024 Budget](#)

[Collingwood 2024 approved budget - V6](#)

[Cobourg 2024 Draft Operating Budget](#)

[Amherstburg 2024 Final Budget](#)

[Georgian Bluffs 2023 Budget](#)