

## 2020 Tax-Supported Operating & Capital Budget Highlights

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Overall, the 2020 municipal tax levy of \$199.4 million represents an increase of \$5.3 million over 2019. The levy is the total amount that needs to be raised from property tax payers to fund city services and contribute to capital infrastructure programs. A further breakdown of the tax levy increase is provided below. The 2020 increase after growth is \$3.7 million or 1.89%. In 2019 the total municipal tax levy was \$194.1 million, an increase of 1.98% over 2018, after growth.

	\$ (in millions)	%
Total 2020 Municipal Tax Levy Increase	5.3	2.73
Less: New taxation revenue sourced from 2019 net assessment growth	(1.6)	(0.84)
<b>Net Increase to Municipal Tax Levy (After Growth)</b>	<b>3.7</b>	<b>1.89</b>

- Net positive growth in the City's assessment base in 2019 due to new construction, additions, and improvements provides \$1.6 million in new revenue that is available to the municipality. This means that \$1.6 million of the municipal tax levy increase will not create an additional financial burden for existing taxpayers.
- A tax levy increase of 1.89% does not impact all taxpayers equally. Assessment changes are also a factor in determining the increase each taxpayer will experience.

Major Drivers in the 2020 Budget include:

- Expansion and increased expenditures to Police Services - \$1.9 million
- Expansion for Next Generation 911 - \$0.4 million
- Reduced annual funding through the Ontario Municipal Partnership Fund - \$0.7 million
- Increase to fringe benefits (CPP & LTD) - \$0.6 million
- Final transition of Solid Waste Diversion/Recycling costs to tax supported operations - \$0.6 million
- Increase to the capital budget funded by the tax levy - \$0.5 million
- Increased debenture payments (Police / Fire Radios) - \$0.4 million
- Other expansions including City Solicitor- \$0.4 million
- Increased levy from Thunder Bay District Health Unit - \$0.2 million

Key drivers have been offset by:

- Reduction to Thunder Bay District Social Services Administration Board levy - \$0.8 million
- Thunder Bay Hydro Corporation one time dividend - \$0.5 million
- Net impact of Tbaytel dividend policy update - \$0.5 million
- User fee increases - \$0.4 million
- Lower Transit budget to align with actual expenditures- \$0.5 million
- The 2020 capital budget supported by the tax levy of \$15.2 million represents an increase of \$0.0.5 million over 2019 (\$14.7 million).

- The 2020 tax supported gross capital budget reflects investments in infrastructure totaling \$46.6 million. Major capital projects include but are not limited to:
  - Roads and roads related projects and Bridges and Culverts - \$18.5 million
  - Fleet and equipment replacement - \$5.0 million
  - Renewal of facilities - \$3.2 million
  - Transit Improvements - \$5.3 million
  - Storm water management - \$2.3 million
  - Parks - \$3.2 million
  - Police Services - \$1.4 million