

## 2021 Tax-Supported Operating & Capital Budget Highlights

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Overall, the 2021 municipal tax levy of \$203.1 million represents an increase of \$3.7 million over 2020. Not included in the increase are costs associated with the COVID-19 pandemic, which are proposed to be funded from the Stabilization Reserve Fund in 2021. 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 2021 increase after growth is \$3.2 million or 1.60%. In 2020 the total municipal tax levy was \$199.4 million, an increase of 1.89% over 2019, after growth.

	\$ (in millions)	%
Total 2021 Municipal Tax Levy Increase	3.7	1.83
Less: New taxation revenue sourced from 2020 net assessment growth	(0.5)	(0.23)
<b>Net Increase to Municipal Tax Levy (After Growth)</b>	<b>3.2</b>	<b>1.60</b>

Net positive growth in the City's assessment base in 2020 due to new construction, additions, and improvements provides \$0.5 million in new revenue that is available to the municipality. This means that \$0.5 million of the municipal tax levy increase will not create an additional financial burden for existing taxpayers.

A tax levy increase of 1.60% does not impact all taxpayers equally. Assessment changes are also a factor in determining the increase each taxpayer will experience.

### Major Non-COVID Drivers in the 2021 Operating Budget

Increases to the tax levy include:

- Capital financed by the tax levy – \$0.9 million
- Insurance premiums – \$0.7 million
- WSIB costs in Superior North EMS – \$0.8 million
- Fringe benefits (CPP & Long Term Disability) – \$0.7 million
- Expansions including improved infection control at Pioneer Ridge and Transit improvements – \$0.4 million
- Elimination of contributions from Sick Pay Liability and Post Employment Reserve Funds - \$0.3 million

Reductions to the tax levy include:

- Salary & benefit savings related to projected hiring gaps - \$1.0 million
- Increased annual funding through the Ontario Municipal Partnership Fund - \$0.7 million
- Reduction in LED Streetlight electricity costs - \$0.6 million
- Reduced staffing including within Thunder Bay Fire Rescue - \$0.3 million
- Increased penalties and interest on taxes - \$0.2 million
- User fee increases - \$0.2 million

## 2021 Capital Budget

The capital budget supported by the tax levy of \$16.2 million represents an increase of \$0.9 million over 2020. The gross capital budget reflects investments in infrastructure totaling \$50.5 million. Major capital projects include but are not limited to:

- Roads and roads related projects and bridges and culverts - \$18.9 million
- Fleet and equipment replacement - \$5.4 million
- Parks including Conservatory greenhouse - \$5.1 million
- Transit improvements - \$4.1 million
- Renewal of facilities - \$3.6 million
- Superior North EMS vehicles and equipment - \$2.4 million
- Storm water management - \$2.1 million
- Police Services - \$1.6 million

## COVID-19 within the 2021 Budget

Excluded from the tax levy is the expected net impact of COVID-19, which has been proposed to be funded by the Stabilization Reserve Fund in 2021. The impact on the reserve fund will be partially offset by any Federal-Provincial Safe Restart Municipal Operating funding from 2020. COVID-19 impacts in the Landfill (rate supported) are also proposed to be funded by the Stabilization Reserve Fund.

<b>Expected COVID-19 2021 Impact</b>	<b>\$ (in millions)</b>
COVID-19 Operating impact (non transit)	\$5.3
COVID-19 Net Transit Impact	\$1.2
<b>Total COVID-19 impact (tax supported only)</b>	<b>\$6.5</b>
COVID-19 Landfill impact	\$0.7
<b>Total COVID-19 impact</b>	<b>\$7.2</b>
Less Estimated Operating Safe Restart funding	(\$3.3)
<b>Estimated Impact to be funded by Stabilization Reserve Fund or other mitigating options</b>	<b>\$3.9</b>

COVID-19 Drivers include:

- Recreation & Culture mainly related to lost revenues and screening costs - \$2.1 million
- Transit mainly related to lost revenues net of Safe Restart funding - \$1.4 million
- Lost casino revenues - \$1.2 million
- Increased costs and lost revenues in child care - \$1.2 million
- Landfill mainly related to lost revenues - \$0.7 million
- Lost revenues in Parking Authority - \$0.5 million
- Increased costs for Thunder Bay Police Service and Superior North EMS - \$0.5 million
- Lost fine revenues in Provincial Offences section - \$0.4 million
- Reduced supplementary taxes - \$0.3 million
- Net Increased costs in Long Term Care and Senior Services - \$0.3 million
- Increased costs in Parks - \$0.3 million
- Expense reductions due to reduced travel, training and office costs - \$0.4 million