

## 2022 Tax-Supported Operating & Capital Budget Highlights

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Overall, the 2022 municipal tax levy of \$208.0 million represents an increase of \$5.0 million over 2021. 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 2022. 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 2022 increase after growth is \$4.7 million or 2.29%. In 2021 the total municipal tax levy was \$203.0 million, an increase of 1.6% over 2020, after growth.

	\$ (in millions)	%
Total 2022 Municipal Tax Levy Increase	5.0	2.44
Less: New taxation revenue sourced from 2021 net assessment growth	(0.3)	(0.15)
<b>Net Increase to Municipal Tax Levy (After Growth)</b>	<b>4.7</b>	<b>2.29</b>

Net positive growth in the City’s assessment base in 2021 due to new construction, additions, and improvements is projected to provide \$0.3 million in new revenue that is available to the municipality. This means that \$0.3 million of the municipal tax levy increase will not create an additional financial burden for existing taxpayers.

A tax levy increase of 2.29% 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 2022 Operating Budget

Increases to the tax levy include:

- Increases for Police Services - \$1.6 million
- Capital financed by the tax levy – \$1.0 million
- Expansions including Licensing & Enforcement, Parks (Pool 6) and Superior North EMS - \$1.0 million
- Program and Services Review implementation including HR Recruitment, Digital Strategy and Municipal Recycling Program - \$0.5 million
- Insurance premiums – \$0.5 million
- Outside Boards - \$0.3 million
- Police Services Board- \$0.2 million

Reductions to the tax levy include:

- Tax write-offs, insurance claims and legal fees reduction based on recent trend analysis - \$1.3 million
- Increased Ontario Municipal Partnership Fund allocation- \$0.8 million
- Reduced Thunder Bay Fire Rescue staffing costs in accordance with the Thunder Bay Fire Rescue Masterplan - \$0.6 million
- Debenture interest - \$0.4 million
- User fee increases - \$0.3 million

## 2022 Capital Budget

The capital budget supported by the tax levy of \$17.4 million represents an increase of \$1.0 million over 2021. The gross capital budget reflects investments in infrastructure totaling \$121.1 million. Major capital projects include but are not limited to:

- Police Services including new Police Facility - \$58.2 million
- Roads and roads related projects, bridges and culverts - \$19.1 million
- Parks including recreation trails - \$8.7 million
- Fleet and equipment replacement - \$8.0 million
- Renewal of facilities - \$5.8 million
- Storm water management - \$4.0 million
- Transit improvements - \$3.7 million
- Recreation facility upgrades - \$3.6 million
- Superior North EMS vehicles, equipment and facility renovations - \$2.0 million

## COVID-19 within the 2022 Budget

Excluded from the tax levy is the expected net impact of COVID-19, proposed to be funded by the Stabilization Reserve Fund. COVID-19 impacts in the Landfill (rate supported) are also proposed to be funded by the Stabilization Reserve Fund.

<b>Expected COVID-19 2022 Impact</b>	<b>\$ (in millions)</b>
Tax Supported Operating impact (excluding transit)	\$4.6
Transit	\$1.9
<b>Total (tax supported only)</b>	<b>\$6.5</b>
Landfill impact	\$0.5
<b>Total to be funded by Stabilization Reserve Fund</b>	<b>\$7.0</b>

COVID-19 Drivers (including additional staffing) as follows:

- Transit mainly related to lost revenues - \$1.9 million
- Recreation & Culture mainly related to lower revenues, screeners and enhanced cleaning costs for reopening - \$1.5 million
- Child Care increased costs and lower revenues - \$1.0 million
- Landfill Operations mainly related to lower revenues - \$0.5 million
- Increased costs and security in Parks - \$0.5 million
- Lower revenues in Parking Authority - \$0.5 million
- Lower fine revenues in Provincial Offences - \$0.3 million
- Reduced supplementary taxes - \$0.3 million
- Increased costs and lower revenues for Thunder Bay Police Service - \$0.2 million