

## 2023 Tax-Supported Operating & Capital Budget Highlights

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Overall, the 2023 municipal tax levy of \$220.8 million represents an increase of \$12.8 million over 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 2023 increase after growth is \$11.6 million or 5.58%. In 2022 the total municipal tax levy was \$208.0 million, an increase of 2.36% over 2021, after growth.

	\$ (in millions)	%
City of Thunder Bay Tax Levy Increase (excluding Police)	8.4	4.06
TB Police Service & Police Services Board Tax Levy Increase	4.4	2.12
<b>Total 2023 Municipal Tax Levy Increase</b>	<b>12.8</b>	<b>6.18</b>
Less: New taxation revenue sourced from 2022 net assessment growth	(1.2)	(0.60)
<b>Net Increase to Municipal Tax Levy (After Growth)</b>	<b>11.6</b>	<b>5.58</b>

Net positive growth in the City's assessment base in 2022 due to new construction, additions, and improvements is projected to provide \$1.2 million in new revenue that is available to the municipality. This means that \$1.2 million of the municipal tax levy increase will not create an additional financial burden for existing taxpayers.

A tax levy increase of 5.58% does not impact all taxpayers equally. Assessment changes are also a factor in determining the increase each taxpayer will experience.

### Major Drivers in the 2023 Operating Budget

Increases to the tax levy include:

- Thunder Bay Police Service (\$4.1 million) and Police Service Board (\$0.3 million)
- Inflation increases for materials and purchased services for Facilities & Fleet Services (parts and contracted repairs & maintenance), Roads (salt & paint) and Long Term Care and Senior Services (food) - \$1.6 million
- Program and Services Review implementation including expansions for HR Strategy, Digital Strategy and provincially mandated Organics program - \$1.3 million
- Outside Boards (excluding TB Police Service & Police Services Board) - \$0.9 million
- Insurance premiums - \$0.6 million
- Fuel - \$0.5 million
- Debt - \$0.3 million

Reductions to the tax levy include:

- Corporate Vacancy Savings - \$0.8 million
- Decrease in Capital financed by the tax levy excluding Police Services - \$0.8 million
- Increase in other revenue including Administrative recoveries and Casino revenue - \$0.7 million
- Increased Ontario Municipal Partnership Fund allocation - \$0.5 million
- User fee increases - \$0.3 million

## **2023 Capital Budget**

The capital budget supported by the tax levy of \$16.9 million represents a decrease of \$0.5 million over 2022.

The gross capital budget reflects investments in infrastructure totaling \$65.9 million (2022 - \$71.0 million).

Major capital projects include but are not limited to:

- Roads and roads related projects, bridges and culverts - \$22.4 million
- Fleet and equipment replacement - \$8.2 million
- Renewal of facilities - \$7.5 million
- Parks including recreation trails - \$5.4 million
- Development Services Phase I of Victoriaville Demolition - \$4.7 million
- Corporate Information Technology Upgrades & support of the Digital Strategy - \$3.9 million
- Storm water management - \$3.8 million
- Police Services - \$2.2 million
- Transit improvements - \$0.7 million